DOCUMENT RESUME

ED 420 766 CE 076 728

| | |
|---|---|
| TITLE | Vocational Education and Training: Directions and Resource Allocations for 1996, 1997, 1998. Report to the Ministerial Council. |
| INSTITUTION | Australian National Training Authority, Brisbane. |
| ISSN | ISSN-1322-9648 |
| PUB DATE | 1997-00-00 |
| NOTE | 239p.; Three separately published annual reports combined into one document. |
| AVAILABLE FROM | Australian National Training Authority, GPO Box 3120, Brisbane 4001, Queensland, Australia. |
| PUB TYPE | Reports - Descriptive (141) |
| EDRS PRICE | MF01/PC10 Plus Postage. |
| DESCRIPTORS | *Educational Needs; Educational Objectives; Educational Planning; *Educational Policy; *Financial Support; Foreign Countries; National Programs; Needs Assessment; Position Papers; Postsecondary Education; Program Effectiveness; Public Policy; Resource Allocation; *Strategic Planning; *Vocational Education |
| IDENTIFIERS | *TAFE (Australia) |

ABSTRACT

These three separate reports detail current and anticipated directions of vocational education and training (VET) in Australia in 1996, 1997, and 1998, respectively, and the Australian National Training Authority's recommendations regarding resource allocations for each of the 3 years. Each report examines some or all of the following: VET's planning framework (challenges faced by the VET sector in the year under consideration; the impact of changes in employment levels and the structure of industry on work force demand for VET; the national training system's performance); national strategic directions (best practice and quality assurance, individual client groups, training market development, accreditation, assessment and recognition of training, access and equity); the planning process; planned activities for the year; funding arrangements (approval of profiles, infrastructure funding, total funding outcomes); and recommendations (including recommendations regarding recurrent funding for states and territories and infrastructure funding). All three reports contain appendixes summarizing maintenance of effort and activity by state and territory. In addition, the "1996 Format for Reporting Activity" is appended to the report for 1996, and the "19 x 4 national matrix" is appended to the reports for 1997 and 1998. (MN)

**********
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
**********

ED 420 766

# Vocational Education and Training: Directions and Resource Allocations for 1996

# Vocational Education and Training: Directions and Resource Allocations for 1997

# Vocational Education and Training: Directions and Resource Allocations for 1998

## Report to the Ministerial Council

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

C Dunn

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)



CE076728

VOCATIONAL EDUCATION AND TRAINING

# DIRECTIONS AND RESOURCE ALLOCATIONS FOR 1996

AUSTRALIAN
NATIONAL TRAINING
AUTHORITY

REPORT TO THE MINISTERIAL COUNCIL

NOVEMBER 1995

VOCATIONAL EDUCATION AND TRAINING

# DIRECTIONS AND RESOURCE ALLOCATIONS FOR 1996

AUSTRALIAN
NATIONAL TRAINING
AUTHORITY

NOVEMBER 1995

*Vocational Education and Training: Directions and Resource Allocations for 1996* documents the Australian economic and training context, analyses the 1996 State/Territory Training Profiles and, on the basis of this analysis, makes recommendations to the Ministers for Vocational Education and Training on the allocation of an estimated $2,793 million in Commonwealth and State/Territory funds.

Enquiries should be directed to:

Australian National Training Authority
AMP Place, 10 Eagle Street
Brisbane Queensland 4001
Ph: (07) 3246 2300
Fax: (07) 3246 2490

©: Australian National Training Authority, 1995
ISSN: 1322 - 9648

## Table of Contents


**1. Introduction** ..... **1**

1.1 Background ..... 1

1.2 The Purpose of Training Profiles ..... 1

1.3 Important Aspects of the 1996 Training Profiles ..... 1

1.4 An Overview of this Report ..... 3

**2. Planning Framework** ..... **5**

2.1 What labour market challenges face the VET sector in 1996? ..... 5

2.2 What impact will sustained employment growth have on the VET sector? ..... 5

2.3 How will changes in the structure of industry affect demand for VET? ..... 7

2.4 How will changes in the workforce influence demand for VET? ..... 9

2.5 How is the national training system moving to meet particular labour market needs? ..... 10

2.6 How well is the national training system performing? ..... 16

**3. Implementation of the *National Strategy*** ..... **19**

3.1 Introduction ..... 19

3.2 Best Practice and Quality Assurance ..... 20

3.3 Industry Influence on Resource Distribution ..... 21

3.4 Individual Client Groups ..... 22

3.5 Training Market Development ..... 25

3.6 Australian Vocational Training System (AVTS) ..... 27

3.7 Accreditation, Assessment and the Recognition of Training ..... 28

3.8 Other Initiatives ..... 29

**5. 1996 Profiles - The Planning Process** ..... **31**

5.1 Achievements of the Planning Process ..... 31

5.2 Areas for further development ..... 32

**6. 1996 Profiles - Planned Activity** ..... **33**

6.1 Introduction ..... 33

6.2 Planned growth in activity 1994-1996 ..... 34

6.3 Planned activity in 1996 ..... 34

6.4 Comparison of Relative Effort ..... 34

6.5 Distribution of Activity Between Training Areas ..... 37

6.6 State Growth Priorities ..... 40

6.7 Distribution of Activity between Occupational Levels ..... 42

6.8 Comparisons of Activity Distribution by Occupational Level ..... 43
6.9 Training for Operative Level Workers in 1996 ..... 46
6.10 Provision in Areas where Access and Equity Target Groups are Concentrated ..... 48
6.11 Frontline Management Initiative ..... 49
6.12 Entry Level Training ..... 50
6.13 Interstate Co-operative Activities ..... 51
6.14 Language, Literacy and Numeracy ..... 53
6.15 Adult and Community Education (ACE) ..... 54
6.16 National Projects ..... 54
6.17 Infrastructure Developments ..... 55

**7. Funding Arrangements ..... 59**
7.1 Arrangements for 1996 and Allocation of Recurrent Funds ..... 59
7.2 Approval of Profiles ..... 59
7.3 Allocation of Infrastructure Funds for 1996 ..... 60
7.4 Future Directions in Funding ..... 60
7.5 Total Funding Outcomes for 1996 ..... 60

**8. Recommendations ..... 63**
8.1 The Authority's Recommendations ..... 63
8.2 Resolutions of the Ministerial Council ..... 64

**Appendix A: Maintenance of Effort ..... 71**

**Appendix B: Activity by State/Territory ..... 89**

**Appendix C: 1996 Format for Reporting Activity ..... 91**

## List of Figures

Figure 2.1: Trends in Contract of Training Commencements ..... 6
Figure 2.2: Business Contributions to Traineeships by Employer Size ..... 7
Figure 2.3: Forecast Employment and Output Growth by Industry 1994-95 to 2001-02 ..... 8
Figure 2.4: Employment Growth by Major Occupation, May 1986 to May 1995 ..... 10
Figure 2.5: Female Employment by Industry: The Top Ten Destinations ..... 14
Figure 2.6: Women as Proportion of Total TAFE Students by Age Group ..... 15
Figure 2.7: Employed Persons by Industry ..... 16
Figure 4.1: State/Territory Profile Process ..... 32
Figure 5.1: Distribution of Activity by Occupational Levels (ASCO) ..... 42
Figure 5.2: Distribution of Projected 1996 AHC and Persons Employed by Occupational Level (ASCO) ..... 46

## List of Tables

Table 2.1: Module Load Completion Rates in 1994 ..... 18
Table 3.1: Training Profile Development - Priority Areas ..... 19
Table 5.1: Training Profile Processes - Summary of Activity Table Requirements for 1994, 1995 and 1996 ..... 33
Table 5.2: Growth in VET Activity 1994-1996 ..... 34
Table 5.3: Population, Activity and Expenditure Share by State/Territory ..... 35
Table 5.4: Average Unit Cost Per Hour: Total Government Funded Activity and Commonwealth Funded Growth Activity ..... 36
Table 5.5: Hours and Course Based Enrolments per 1000 of Population Aged 15-64 ..... 37
Table 5.6: Total Government Activity for 1995 and 1996 and Persons Employed by Broad Training Area ..... 38
Table 5.7: Total Government Funded Activity 1996, and Persons Employed by Training Area 39
Table 5.8: State Growth Priorities ..... 41
Table 5.9: Revised Activity for 1995 and Persons Employed 1993-94 by Occupational Level (ASCO) ..... 43
Table 5.10: Distribution of Total Government Activity for 1996 and Persons Employed 1993-4 by Level by State/Territory ..... 45
Table 5.11: Total 1996 Government Funded Activity Directed Towards Training for Operative Level Occupations and Persons Employed in Operative Level Occupations by Training Area ..... 47
Table 5.12: Apprentice and Trainee Commencements compared with National Targets ..... 51
Table 6.1: Summary of Planned Expenditure for 1996 ..... 61
Table 7.1: Allocation of Commonwealth Recurrent Funding for 1996 ..... 68
Table 7.2: Allocation of Commonwealth Infrastructure Funding for 1996 ..... 69



S

# 1. Introduction

## 1.1 Background

*This document reports on 1996 Training Profiles.*

*Vocational Education Training: Directions and Resource Allocations for 1996* has been prepared by the Australian National Training Authority (ANTA). The report provides the Authority's analysis of the 1996 State and Territory Training Profiles and includes recommendations on resource allocations for that year to the Ministerial Council. Also, the document provides a progress report on implementation of *Towards a Skilled Australia: A National Strategy for Vocational Education and Training*[1]

## 1.2 The Purpose of Training Profiles

*Training Profiles are a key planning tool of the national VET system.*

State/Territory Training Profiles, together with the *National Strategy*, are the key planning tools of the national vocational education and training system.

Training Profiles establish a single and comprehensive plan for the provision and support of vocational education and training (VET) in the States and Territories based on directions in the *National Strategy* and priorities set by the Ministerial Council. They cover all activity embraced by the National Vocational Education and Training System (NVETS) Agreement.

*Training Profiles are both planning and resource documents.*

As well as a planning document, Training Profiles are a resource document. They are the basis for the allocation of Commonwealth funding under the NVETS Agreement. They provide an outline of training activity to which Commonwealth and State/Territory funds will be applied.

## 1.3 Important Aspects of the 1996 Training Profiles

*The 1996 Training Profiles are based on well developed planning and consultative processes.*

The 1996 Training Profiles build on those of previous years.

The 1996 Profiles indicate that significant further improvements have been made to the planning processes adopted by States and Territories. Extensive industry advice, advice on individual client needs, provider responses and analyses of economic and labour market trend data, have all informed State/Territory decisions on planned training activity and support initiatives for 1996.

---

[1] This document will be referred to as the *National Strategy* in the remainder of this Report.

The advice and analyses indicate that there is a continued significant demand for VET skills and qualifications. In particular, Australian industry reports substantial ongoing training needs among the existing workforce. School leavers, those seeking to re-enter the workforce and other relatively disadvantaged individual client groups also remain major sources of demand.

***The national VET system will continue to grow in 1996.***

Increasing provision of relevant vocational education and training is a major aspect of the NVETS Agreement. With the establishment of the Agreement and the Authority, a significant expansion of the VET system commenced with growth funds provided by the Commonwealth. Cumulatively, from 1994 to 1996, an additional 32.7m contact hours of training has been provided from total government funds, of which 26.1m hours are attributable to Commonwealth growth funds and the remainder to State growth.

***Planned activity levels for 1996 are 4 per cent higher than 1995.***

In 1996 alone, total government funded training activity will increase by an estimated 10.0m annual hours curriculum (AHC) or 46,300 additional enrolments. Of the growth in annual hours curriculum, approximately 8.7m hours can be attributed to Commonwealth growth funding and 1.3m hours to increased State/Territory growth.

***Increased delivery is targeted to address skill shortages/gaps.***

Increased delivery will be directed primarily to the operative level and to areas of identified skill shortages/gaps, including those commonly assessed as critical to improving overall industry performance such as leadership, management and business skills.

***Planned delivery and initiatives in 1996 support the* National Strategy.**

Training at the operative level was first highlighted as an issue of concern in *Directions and Resource Allocations for 1994* where it was noted that the proportion of VET activity directed towards operative courses was far lower than the proportion of the workforce in operative level occupations. This issue was subsequently identified as a priority in the *National Strategy* and has since been monitored through the Training Profiles process. All other major priorities related to the *National Strategy* are similarly monitored.

***Planned delivery mechanisms will provide greater choice for clients.***

In keeping with the *National Strategy*, providers and agencies receiving public funds in 1996 will have in place, or under development, quality assurance arrangements determined by the States and Territories. A growing proportion of the total training activity will be delivered in ways that provide greater choice for clients. All States and Territories are continuing their commitment to widening the training market. Based on State and Territory advice, approximately $65m will be set aside in 1996 for the purchase of places through competitive processes, more than double the amount set aside in 1995. Arrangements whereby clients are given a "user choice" when determining providers will also be expanded, as will various other flexible delivery arrangements.

***Client access to relevant training will be improved.***

All States and Territories have made a commitment in the 1996 Profiles to translate existing entry level arrangements to the Australian Vocational Training System (AVTS). This system will diversify the range of entry level training options in line with industry standards and competency based training principles. This is a major step in improving client access to relevant training.

***Seven 1996 Training Profiles comply with all requirements of the NVETS Agreement.***

The Training Profiles for New South Wales, South Australia, Western Australia, Tasmania, the Northern Territory and the Australian Capital Territory comply with all requirements of the NVETS Agreement.

However, the Ministerial Council has required South Australia to demonstrate, through progress reports during 1996, its commitment to maintaining activity levels and quality vocational education and training (see Chapter 7).

Queensland has provided a Training Profile that meets requirements but maintenance of effort data remain subject to audit verification.

The profile from Victoria was provided at a very late stage and issues relating to activity levels were unable to be finalised. Negotiations with Victoria will continue.

The activity levels have been settled between Victoria and ANTA in accordance with the resolutions of the Ministerial Council on 10 November 1995 (see Appendix A). The analysis of activity in this report incorporates consequent adjustments to activity tables provided by Victoria.

## 1.4 An Overview of this Report

***The Authority seeks the endorsement of recommendations relating to the 1996 Profiles in Chapter 7.***

The following chapter, *Planning Framework*, sets the economic and training market context in which the 1996 Profiles have been developed.

Chapter Three, *Implementation of the National Strategy*, highlights initiatives undertaken by States and Territories against the priority areas of the *National Strategy* for 1996 as well as other key initiatives being pursued.

The Authority's analysis of the Training Profiles and its recommendations based on this analysis are presented in the remaining chapters.

Chapter Four, *1996 Profiles - The Planning Process*, summarises the mechanisms and processes used by States and Territories to gather input from a range of stakeholders in developing their Profiles.

Chapter Five, *1996 Profiles - Planned Activity*, provides details on the planned shifts in activity within VET and associated initiatives.

Chapter Six, *Funding Arrangements*, presents the Authority's advice on funding allocations for 1996.

In Chapter Seven, *Recommendations*, the Authority seeks the endorsement of recommendations relating to the 1996 Training Profiles, including in relation to recurrent and capital funding allocations, National Projects and Interstate Co-operative Projects.

The resolutions agreed by the Ministerial Council are also included in Chapter 7 as they are not identical to the Authority's recommendations.

# 2. Planning Framework

## 2.1 What labour market challenges face the VET sector in 1996?

***The national training market is dynamic and training needs are constantly changing.***

Changes in the national labour market present a variety of challenges for the vocational education and training sector. The dynamic nature of the labour market means that industry's demand for skilled labour is constantly evolving. In recent years employment has grown while at the same time there has been structural change in industry and occupational patterns. The proportion of the labour force in service industries, for example, has risen steadily.

Training decisions in this climate of change are influenced by the need for increased competitiveness, changing technology and skill requirements. What follows is an examination of the economic and labour market framework within which the *National Strategy* and State Training Profiles operate.

## 2.2 What impact will sustained employment growth have on the VET sector?

***Employment has increased in the past year implying continued growth in demand for entry level training.***

Demand for VET is influenced by the extent of overall growth in output and employment in the economy, as well as changes in the pattern of demand for goods and services. Employment growth totalled 8 per cent in the three years from June 1992 to June 1995. In the year to June 1995, employment rose by 4.5 per cent. Employment growth is also likely in the period ahead, implying continued growth in demand for entry level training.

Employment growth has resulted in a marked fall in the unemployment rate in the last year in addition to a significant increase in labour force participation. The unemployment rate fell from 9.8 per cent in June 1994 to 8.3 per cent in June 1995. The male unemployment rate declined from 10 per cent to 8.3 per cent, while the female unemployment rate declined from 9.5 per cent to 7.8 per cent.

The number of long term unemployed has also fallen significantly, declining by 20 per cent over the year to June 1994. As a proportion of total unemployment, long term unemployment has fallen from 36.2 per cent in June 1994 to 33.0 per cent in June 1995.

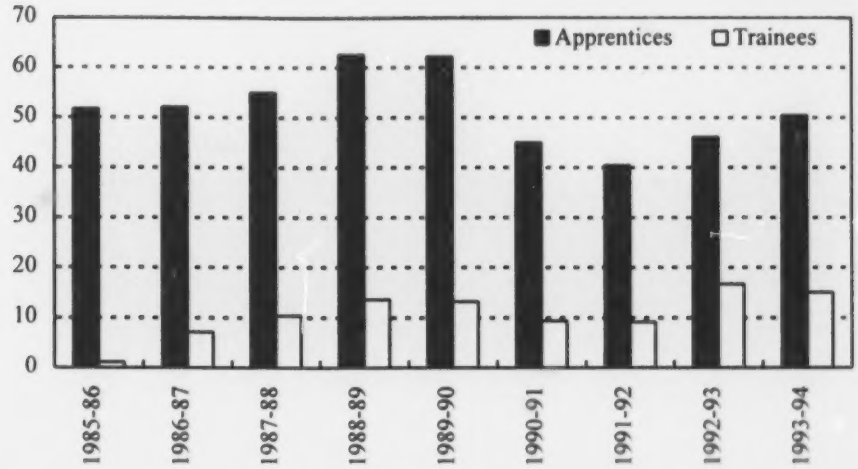
The Commonwealth Government's *Working Nation* White Paper on employment and growth will continue to have significant implications for vocational education and training. For example, as a result of the efforts of the National Employment and Training Taskforce (NETTFORCE) to

encourage more jobs and make training places available to unemployed people, significant increases in the intake of trainees are predicted for 1996.

***Apprenticeships and traineeships remain important sources of entry level training.***

Apprenticeships and Traineeships remain important sources of entry level training. After a period of decline during 1990-1992, the numbers of persons undertaking a contract of training has steadily increased (Figure 2.1). During 1993-94, over 50,000 people commenced an apprenticeship and over 15,000 people commenced a traineeship. Early indications for 1994-95 are that a further increase is likely in the numbers of persons undertaking a contract of training. Projected growth in traineeships and apprenticeships recorded in the 1996 Training Profiles are detailed in section 5.12.

**Figure 2.1: Trends in Contract of Training Commencements ('000s)**




Sources: Australian Committee for Vocational Education and Training Statistics (ACVETS), *Apprenticeship Statistics 1984-85 to 1993-94*; Department of Employment, Education and Training (DEET), *Australian Traineeship System (ATS) Quarterly Performance Reports* to June 1994 and unpublished statistics for Career Start Traineeships (CST) and the Australian Vocational Traineeship System (AVTS) for 1993-94.

***Small businesses are increasing in importance as a source of both employment and contracts of training for trainees and apprentices.***

Another significant trend is the increasing share of both employment and contracts of training for new entrants provided by small businesses in recent years. Small businesses with less than 20 employees make up 95 per cent of all establishments in Australia. Whereas in 1989-90, 47.7 per cent of employment in private businesses was provided by small business, in 1993-94, 50.9 per cent of employment was provided by small business. They are therefore a major focus for national training initiatives.

Small businesses employ a significantly greater proportion of apprentices and trainees than their share of the workforce. Since the inception of traineeships, 47 per cent of trainees have been employed by private sector small business to June 1994. This is over twice their 1991-92 employment share of 23 per cent (Figure 2.2).

**Figure 2.2: Business Contributions to Traineeships by Employer Size (Per Cent)**

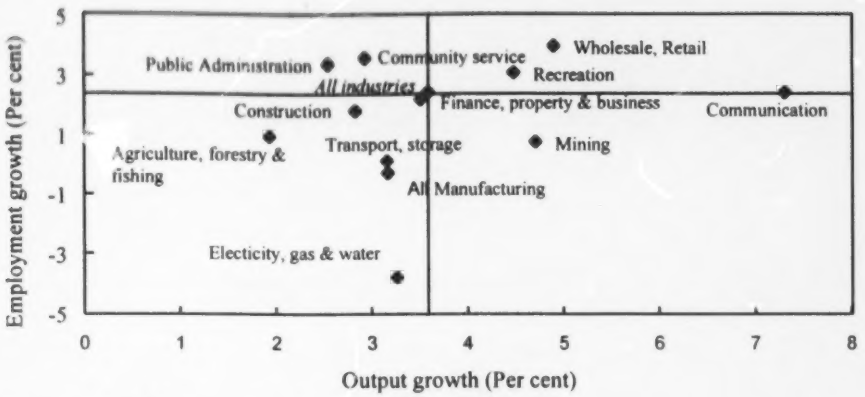
Sources: DEET, *ATS Quarterly Performance Reports*; ABS *Small Business in Australia*, 1993. Trainees since 1985 to end June 1995, 1991-92 employment figures.

## 2.3 How will changes in the structure of industry affect demand for VET?

As the Australian economy matures and competes globally, the structure of Australian industry will change. New leading industries will emerge in response to changing priorities while previously high growth industries compete or decline.

Employment continues to shift from the "traditional" manufacturing, rural and construction industries to the services industries. This trend is expected to continue into the next century with the *Wholesale and retail* trade, *Recreation* and *Communication* industries leading the way (Figure 2.3).

**Figure 2.3: Forecast Employment and Output Growth by Industry 1994-95 to 2001-02**




Source: Monash/Syntec, *Briefing Handbook,* June 1995.

***Service industries are growing more rapidly than 'traditional' industries. VET provision is changing to reflect this.***

Services sector growth is reflected in its demand for VET, with 42.8 per cent of additional activity in 1996 going to occupations predominantly related to this sector. A further 20.7 per cent of additional activity in 1996 will go to training in business skills, clerical skills and computing.

***However, all industries require training for their workforce. Competitive pressures and the drive for quality are some of the triggers for decisions by industry to invest in training.***

However, an industry experiencing low growth does not necessarily require a reduction in training effort. Recent research identified factors leading to training in enterprises in *Manufacturing (Electronics* and *Food processing* sectors*)* and *Building and construction.* The study indicated that decisions to invest in training were influenced by competitive pressures, importance of quality assurance, introduction of new technology, workplace reorganisation and award restructuring.

The researchers noted that the "drive for quality emphasised the importance of generic and behavioural skills. A key finding was the generic nature of much of the training that enterprises were demanding. Usually this related to the improvement of behavioural skills in the workforce rather than strict technical skills. Behavioural skills such as communication skills, problem solving, the ability to work in teams, and so on, were critical in encouraging employees to take greater responsibility for their work."[2] The research implies that knowledge of the environment in which industry operates is crucial to meeting industry's evolving needs.

[2] Smith. R, Roberts. P, Noble. C, Hayton. G, Thorpe. E, *Industry Training: Factors that Affect Demand*, 1995

***National ITABs are advising on training needs and priorities through Industry VET plans.***

The Authority has attempted to develop a better understanding of industry training needs through working with National ITABs. The publication, *Guide to Training Priorities of National Industry Training Advisory Bodies 1995-1997*, represents the first attempt to provide a comprehensive picture of priority industry training needs at the national level. The information in the *Guide* is based on the Industry Vocational Education and Training Plans produced by each National ITAB. These Plans have now become the primary vehicle for National ITAB advice. The *Guide* was produced in conjunction with National ITABs and provided to States and Territories during the planning and development of their 1996 Training Profiles.

***A series of workshops will also promote a better understanding of industry training needs.***

The Authority is also prompting a better understanding of industry training needs through a series of industry workshops, including *Agriculture; Food processing*; *Manufacturing; Finance, property and business services; Wholesale and retail trade;* and *Communications*.

## 2.4 How will changes in the workforce influence demand for VET?

***Skill shortages and gaps are carefully monitored in Industry VET Plans and addressed in Training Profiles.***

An economy in growth phase may experience skill shortages, that is, demand for labour in certain occupations may outstrip supply. Currently, national skill shortages do not appear to be widespread and recent movements in skilled vacancies suggest growth in demand for skilled labour declined somewhat in early 1995. According to the 1996 Training Profiles, however, in some industries, in some States and Territories, skill gaps do exist whereby workers do not have the required level of skill to perform with maximum productivity.

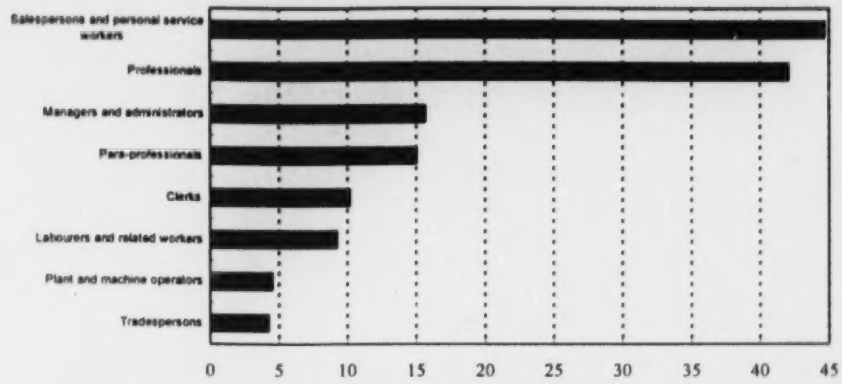
National ITABs were requested to identify skill shortages in developing Industry VET Plans for 1995-97. Common skill shortages identified by the ITABs include the use of computers and information technology, supervision and management, customer service, workplace training and assessment, and language, literacy and numeracy skills.

States and Territories are working to ensure that shifts in training effort match any skill shortages and gaps that may exist as well as more fundamental changes in the structure of Australian industry.

***Employment in service occupations has increased and will continue to grow.***

Changes in the structure of Australian industry of necessity modify the structure of the workforce. Reflecting growth in service industries, employment of salespersons, personal service workers and professionals has increased rapidly (Figure 2.4). Conversely, employment of plant and machine operators and tradespersons has remained roughly at the same level as the mid 1980s, in line with the slowdown in growth in traditional industries.

**Figure 2.4: Employment Growth by Major Occupation, May 1986 to May 1995 (Per cent)**




Source: ABS Labour Force Survey, Australia (PC AUSSTATS)

These trends in respect to the eight major occupations, as defined in the Australian Standard Classification of Occupations (ASCO), are expected to continue; particularly the strong employment growth for salespersons, personal service workers and clerks. Almost 60 per cent of additional activity in 1996 is expected to go to these workers (Table 5.9).

***Part time work continues to increase.***

Another consideration in planning to meet the skill needs of the workforce is the fact that the proportion of part time workers in the Australian workforce continues to increase. Growth in part time employment has outstripped full time employment consistently over the past ten years. By June 1995, part time workers made up 24.5 per cent of the workforce, compared with 21.1 per cent in June 1990 and 17.9 per cent in June 1985.

***Flexible delivery is necessary to respond to these changes.***

In the past, most training on the job has been provided to full time employees. Whatever the advantages and disadvantages of part time employment, the training sector must accommodate the shift toward part time work. A flexible and responsive system of delivery is necessary to respond to these changes.

## 2.5 How is the national training system moving to meet particular labour market needs?

Within the 1996 Training Profiles, States and Territories were requested to address the training needs of the following groups of people: operative workers, (see Appendix C.1, for coverage) managers, women and Aboriginal and Torres Strait Islander people.

## Operative Level Workers[3]

***Operative level workers are at risk and the national training system needs to place more emphasis on the training needs of operative level workers.***

As mentioned previously, training at the operative level was first highlighted as an issue of concern in *Directions and Resource Allocations for 1994* where it was noted that the proportion of VET activity directed towards operative level courses was far lower than the proportion of the workforce in operative level occupations. This issue was subsequently identified as a priority in the *National Strategy* and has since been monitored through the Training Profiles process.

*Directions and Resource Allocations for 1995* showed that the provision of training at the operative level was still low relative to the proportion of the workforce employed at the operative level and 1996 data, included in this report, confirm this position.

Furthermore, research by the Authority shows that workers in operative level occupations and people without post school qualifications, who are seeking to enter the workforce, are in urgent need of training which will equip them with the skills they need to succeed in a rapidly changing workforce. As noted by Robert Reich, Secretary for Labour in the United States of America, "The lesson is clear. If you drop out of high school or have no more than a high school diploma, do not expect a good routine production job to be waiting for you."[4]

Operative level workers, that is, clerks, salespersons, plant and machine operators, labourers and related workers, currently form more than half the workforce (55.8 per cent). These workers are the most "at risk" in economic downturns and from technology changes.

[3] Operative level occupations are those which belong to the ASCO major groups: *Clerks, Sales and personal service workers, Labourers and related workers* and *Plant and machine operators*

[4] Robert Reich, *The Work of Nations: Preparing Ourselves for Twenty First Century Capitalism*, 1992, p. 213

Operative level workers:

- have comparatively low earnings
  - full time operative level workers earned 26 per cent less than non-operative workers in 1993[5]
- have limited qualifications
  - approximately two thirds of operative level workers have no post-school qualifications[6]
- have relatively high unemployment
  - of unemployed persons who had a job within the last two years, 61 per cent of men and 77 per cent of women were last employed in operative level occupations even though operative level employees comprised only 58 per cent of all employees[7]
- are employed in industries subject to economic restructuring and sensitive to economic cycles
- have higher rates of labour mobility than non-operative level workers
  - 15.5 per cent of operative level workers have been in their current jobs for less than one year compared to 12.6 per cent of non-operative level workers.[8]

The problem for operative level workers is being exacerbated by limited growth in middle paid jobs. A workforce retraining strategy which meets the specific needs of the existing operative level workforce is critical. This is being achieved by:

- identifying the type and level of training operative workers may require (for example language, literacy and numeracy skills or more specific vocational skills)
- emphasising their needs during the profile process so that maximum opportunities can be provided through the public VET system, and
- encouraging employers to increase their own training efforts for operative level employees.

---

[5] *Distribution of Employee Earnings and Hours*, Australia (ABS Cat. No. 6306.0)
[6] *Transition from Education to Work*, Australia (ABS Cat. No. 6227.0)
[7] *The Labour Force*, Australia (ABS Cat. No. 6203.0)
[8] *Employer Training Practices* 1994 (ABS Cat. No. 6356.0)

As reported in Chapter 5 of this report, operative level occupations are to receive a larger proportion of additional activity in 1996 than other occupational groups, but their needs remain substantial.

**Managers**

*Managers have become a major target for skill development.*

Managers have become a major target for skill development. In April this year, the Industry Task Force on Leadership and Management Skills, released its report *Enterprising Nation: Renewing Australia's Managers to Meet the Challenges of the Asia-Pacific Century*. This report provides a comprehensive insight into the skills and training needs of Australian managers.

Of the five challenges identified in the report, the fourth challenge which relates to achieving best practice management development is of particular significance to the VET system. Some 180,000 of the 400,000 frontline managers in Australia are without formal training for their role. As a result, the Task Force has recommended the development of a national training initiative for frontline managers to be available in 1996.

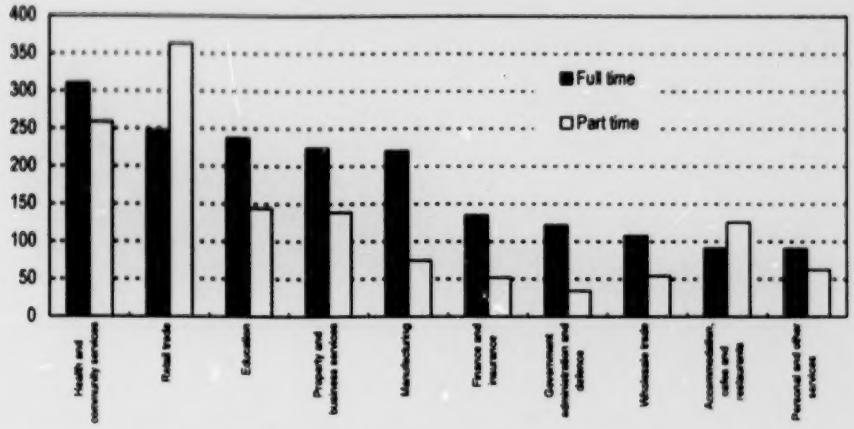
In its report, the Task Force envisioned, that by 2010, knowledge and the ability to learn, change and innovate will be accepted as the primary criteria for selecting managers. Managers will be required to create conditions which benefit the learning of both individuals and the enterprise as a whole. Further information on the Frontline Management Initiative is provided in Chapter 5.11.

**Women**

*The industry profile of female employment shows a heavy concentration in service related industries and part time work.*

Employment for women is strongly linked to service industries such as *Education; Health and community services* and *Retail trade*. Figure 2.5 shows the top ten industries for employment of females. Females make up over three quarters of the part time workforce. In order to increase participation in vocational education and training by the growing number of female part time workers, the majority of whom work at operative level, States and Territories have adopted a number of strategies. These include flexible delivery initiatives and commitment to child care facilities.

**Figure 2.5: Female Employment by Industry: The Top Ten Destinations ('000s)**




Source: ABS, *The Labour Force Australia*, May 1995 (Cat. No. 6203.0)

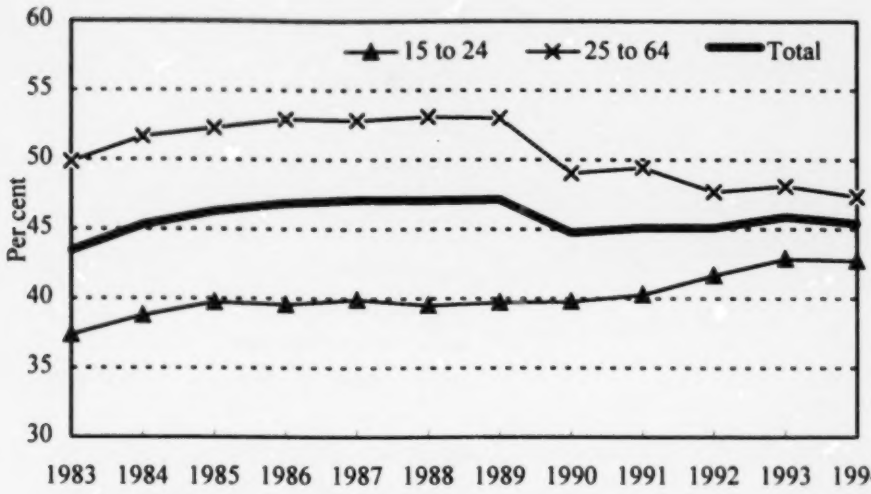
***Over the twelve months since the last report, female participation in VET has not improved.***

The Authority's 1994 report to Ministers identified that the VET participation rate for females, especially those aged 25 to 64, was declining. Ministers agreed that all States and Territories should report on approaches to increase female participation. A broad range of projects has been instigated which should result in female participation increasing from 1995. Examples of these projects are outlined in Chapter 3.4 (Individual Client Groups) and, in Chapter 5, the implications for women of the planned shifts in training activity in 1996 are considered.

In 1994, 45.4 per cent of all TAFE students were female. Female participation in TAFE declined steadily from 1989 to 1992. This decline was particularly pronounced in the 25 to 64 age group. Participation by females aged 15 to 24 increased slightly between 1992 and 1993 but has since declined (Figure 2.6).

Female participation rates within para-professional courses have increased over the last few years, but this has been more than offset by declines in other VET courses, most particularly those courses at the skilled training level.

**Figure 2.6: Women as Proportion of Total TAFE Students by Age Group**




Sources: NCVER, *Selected TAFE Statistics* (1983-1992); NCVER, *Selected VET Statistics* (1993,1994) (Stream 2100-4500)

**Aboriginal and Torres Strait Islander People**

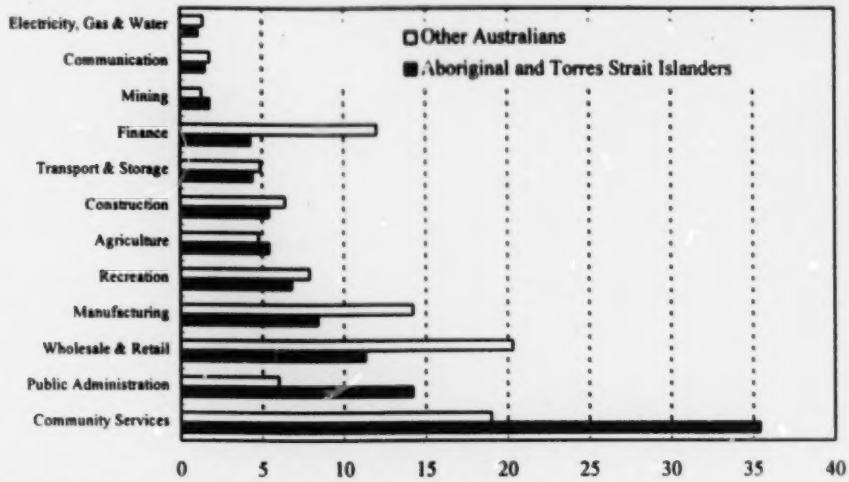
***Industry profile of Aboriginal and Torres Strait Islander employment is also concentrated in a few industries.***

Aboriginal and Torres Strait Islander people continue to face difficulties in the labour market. Rates of unemployment for indigenous people in 1991 were close to three times that of non-indigenous people. Half of all Aboriginal and Torres Strait Islander people were employed in the *Public administration* and *Community services* industries in 1991 (Figure 2.7). By contrast, compared to the non-indigenous population, Aboriginal and Torres Strait Islander people are significantly under represented within the *Wholesale and retail trade* and *Finance, property and business services* industries.

***Aboriginal and Torres Strait Islander people are well represented in the VET sector but mainly in low level courses.***

Aboriginal and Torres Strait Islander people are generally well represented in TAFE enrolments. However, the pattern of participation of indigenous Australians is significantly concentrated in lower levels of training. Indigenous students are over twice as likely to be participating in preparatory (language and literacy) courses than their non-indigenous counterparts. By contrast, non-indigenous students are four times as likely to be participating within courses at the para-professional level than indigenous Australians. Initiatives directed at improving opportunities for Aboriginal and Torres Strait Islander people are described in Chapters 3.4 and 5.10.

**Figure 2.7: Employed Persons by Industry (Per cent)**




Source: ABS, *Census of Population and Housing*, 1991

## 2.6 How well is the national training system performing?

### Participation targets

***Participation in education and training has increased.***

Targets for participation in post compulsory education and training were adopted by Ministers in October 1991. They were set following Ministers' consideration of the report of the Australian Education Council Review Committee, *Young People's Participation in Post-Compulsory Education & Training*.

In May 1995, the Ministerial Council for Employment, Education, Training and Youth Affairs (MCEETYA) adopted an approach to monitor and report on progress towards achieving participation and attainment targets endorsed by governments. Two targets are being monitored which will allow regular reporting on progress.

**Target One:** **By 2001, 95 per cent of 19 year olds:**

- are participating in Year 12, or
- have completed Year 12, or
- have completed Years 10 or 11 and are participating in some formally recognised education and training, or
- have completed Years 10 or 11 and have completed some formally recognised education and training.

**Target Two:** **By 2001, 60 per cent of 22 year olds:**

- are participating in education and training programs which lead to level 3 awards, or
- have attained level 3 Qualifications, or
- have attained above level 3 Qualifications, or
- are participating in, or have completed higher education studies such as degrees and diplomas.

ANTA research using ABS and institutional data series shows that participation by 19 year olds in education and training has increased from 70.9 per cent in 1990 to 80.7 per cent in 1994. Numbers have increased from 50,700 in 1990 to an estimated 62,242 in 1994, although higher education participation has increased slowly and school participation rates have declined over this time.

Participation by 22 year olds in education and training has increased from 41.5 per cent in 1990 to 48.8 per cent in 1994 and is likely to achieve the target of 60 per cent by 2001. The numbers of 22 year olds in VET has increased from 23,202 in 1990 to 34,558 in 1994. Higher education participation for this age group has increased at approximately the same pace as for 19 year old. This is partly accounted for by large increases in higher degree participation.

***NVETS is expanding in line with set targets.***

Meeting the targets set by Ministers implies that the VET system will need to continue to expand over the 1990s to meet increasing demand for places. Early indications are that the national VET system is expanding in line with targets as a result of growth funds flowing to the system.

**Output measures**

***The national training system is placing increased emphasis on measuring outputs.***

While participation data have been available for a number of years, 1994 was the first year that the performance of the VET system was measured in output terms.

In respect of 1994 data, the most effective output measure is module load completion rate. The module load completion rate is the percentage of

load, that is, annual hours curriculum, for which clients are awarded a completion grade or are assessed as meeting the required skill levels. Students successfully passed 3.45m VET modules in 1994, resulting in a module load completion rate for Australia of 83.5 per cent. States and Territories recorded the following completion rates based on total vocational education and training activity (government and non-government funded activity included).

**Table 2.1: Module Load Completion Rates in 1994 (Per cent)**

| NSW | VIC | QLD | SA | WA | TAS | NT | ACT |
|---|---|---|---|---|---|---|---|
| 89.3 | 80.6 | 77.5 | 87.4 | 77.7 | 77.1 | 86.3 | 77.1 |

Source: NCVER, *Selected VET Statistics*, 1994

**Data collection issues**

The Authority has raised the issue of difficulties with data on a number of occasions; initially in *Directions and Resource Allocations for 1994.*

***Data collection issues are being addressed.***

A number of issues in relation to timeliness and reliability of data arose again in preparing the *Annual National Report 1994.* These were discussed at the August 1995 meeting of the Ministerial Council . As a result, Ministers asked the Authority to review the situation and provide a report identifying problems with data availability and consistency, possible solutions and their costings.

The Boston Consulting Group has been engaged to assist the Authority in the conduct of this review. The Consultants will provide a final report to the Authority in December 1995. The need to find a solution to the data issue is urgent. In calling for these issues to be addressed, the Ministerial Council indicated that the provision of future growth funding is contingent upon the Authority's advice that appropriate national data sets are available and reliable.

# 3. Implementation of the *National Strategy*

## 3.1 Introduction

***Training Profiles are a vehicle for the implementation of the* National Strategy.**

Ministers have agreed that the State and Territory Training Profiles are a primary vehicle for the implementation of the *National Strategy*. The *National Strategy* is intended as a framework within which detailed planning and implementation at the State and Territory level takes place. For this reason, when reporting progress States and Territories will emphasise different priorities and achievements. The *National Strategy* is organised around four main themes - greater responsiveness, enhanced quality, improved accessibility and increased efficiency. States and Territories have outlined a number of specific strategies which make a major contribution towards achieving these four themes.

***The Profiles report on six priority areas for 1996.***

In each year since 1994, the Ministerial Council has agreed to priority areas for the development of vocational education and training. These are reported on in State/Territory Training Profiles. There has been a continuum of development every year as refinements are made to each priority area. In 1996 there are six priority areas compared to five for 1995 and four for 1994, as listed in Table 3.1. For 1996 the additional area is accreditation, assessment and recognition of training. The other 1996 priority areas develop the initial priorities established in 1994.

**Table 3.1: Training Profile Development - Priority Areas**

| 1994 | 1995 | 1996 |
|---|---|---|
| • Reward Innovation and Best Practice | • Best Practice | • Best Practice and Quality Assurance |
| • Build a client focussed culture | • Distribution of resources within and between industry sectors | • Industry and other client influence on resource distribution |
| | • Disadvantaged and under represented groups | • *National Strategy* Target Groups - address each separately |
| | • The allocation of resources through competitive processes | • User choice, open training market, and competitive tendering |
| • Create and promote life long learning | • Australian Vocational Certificate Training System | • Australian Vocational Training System |
| • Advance a National Identity | | • Accreditation, assessment and recognition of training |

The 1996 Profiles also include attachments which detail State and Territory responses to the *National Strategy* as a whole for the years 1996 and 1997. The following report on implementation of the *National Strategy* deals principally with those strategies outlined in the 1996 Training Profiles against the six priority areas, but also includes a final section on other key strategies being pursued.

## 3.2 Best Practice and Quality Assurance

***Quality is a key objective.***

Quality in all aspects of vocational education and training is a key objective of the *National Strategy*. The *Strategy* includes a commitment that by 1996, providers and agencies receiving public funds will have in place quality assurance arrangements determined by States and Territories. The 1996 Profiles show a number of different approaches are being taken to quality assurance and that the States and Territories are working on identifying best practice, including that amongst providers and ITABs.

***Examples of proposed outcomes in 1996 in quality assurance and best practice.***

The specific outcomes proposed are only relevant to some States and Territories. They include:

- quality standards and management frameworks for providers and agencies receiving public funds developed and progressively implemented
- the development of best practice models and memoranda of understanding for VET providers in most States and Territories
- the development of best practice profiles of successful businesses with appropriate training culture and role models for organisations seeking to develop a training ethos, and
- assisting ITABs in the implementation of best practice.

***A number of National Projects focus on best practice and quality assurance.***

States and Territories are also participating in a number of National Projects, which focus on various elements of quality assurance and best practice. These are discussed in Chapter 5.16 and include:

- customer service
- best practice and benchmarking for quality improvement in teaching and learning
- delegated recognition of training
- ACE sector quality assurance
- quality management pilots

- promoting adoption of best practice approaches, and
- principles of quality assurance in the VET sector.

One of ANTA's priorities is to achieve transparency across State and Territory quality arrangements in the VET sector.

### 3.3 Industry Influence on Resource Distribution

*Another major priority is to ensure a client focussed culture.*

Another of the main priorities for development of the VET system is to implement strategies which support a client focused culture. In this regard, ANTA is working in partnership with:

- industry to develop a greater acceptance and understanding of the national vocational education and training system, and
- States and Territories to shift the focus of providers to the needs of industry and individuals.

*States and Territories will ensure the allocation of resources according to industry and other clients needs.*

During 1996, States and Territories will further develop and utilise planning systems which ensure the allocation of resources according to the needs of industry and other client groups. The following are some important areas identified by States and Territories to be developed and used in their 1997 planning processes. For some States these initiatives have already been implemented:

- enhanced relationships between industry, providers and State Training Agencies to improve communication on training needs and capacities (Australian Capital Territory, Northern Territory)
- strategies to ensure the involvement of small business in VET and to meet their training needs. These include the development of comprehensive plans for consideration when 1997 Profiles are developed (Australian Capital Territory)
- improved systems for identifying and monitoring skill shortages and gaps, to be used as the basis of decisions on proposed shifts in training activity (New South Wales)
- refining the reporting of training activity to increase the relevance and transparency of the links between industry, occupational needs and proposed shifts in training activity (Western Australia)
- improved resource allocation models for capital investment decisions and for the distribution of recurrent resources within and between industry sectors (New South Wales), and

- performance agreements with State ITABs which specify requirements relating to advice to be provided for the State Training Profiles (South Australia).

## 3.4 Individual Client Groups

***Consultations with individual client groups are progressing.***

Individual client groups identified in the *National Strategy* include women, Aboriginal and Torres Strait Islander people, people without adequate social, literacy and numeracy skills, people with disabilities, rural and isolated people, unemployed people, and people from non-English speaking backgrounds. States and Territories have been requested to place particular emphasis on women and Aboriginal and Torres Strait Islander people in 1996.

Quality consultation with client groups varies across States and Territories. As mentioned in Chapter 4 however, progress appears to be occurring in setting up more formal consultation mechanisms with organisations representing individual client groups and individuals themselves.

***The Authority will continue to promote an access and equity planning framework.***

Generally, there continues to be a lack of reliable data on individual client groups to use as the basis for establishing participation and output/outcome targets. This is an area of concern which merits further attention by States and Territories. ANTA has developed, and will continue to refine, an access and equity planning model which outlines possible approaches and strategies in setting performance goals for individual client groups.

***Participation and outcome based goals for client groups are beginning to be developed.***

Some States and Territories have specified targets in relation to improvements in participation and/or outcomes for individual client groups. For example, New South Wales and Queensland, in the medium term, aim to see target groups achieve representation in the vocational education and training system at least equal to their share of the population. Queensland believes that further research and development will be necessary for more meaningful participation targets to be derived. Victoria is developing a "managing diversity" policy which will include a system wide approach to the management of access and equity issues building recognition of client needs into policy, planning, program management and delivery.

***Initiatives for client groups address broad areas making their evaluation difficult.***

Generally, initiatives specified for individual client groups in the 1996 Profiles are broad and not all States and Territories adequately address the needs of all individual client groups. Mention is made below of the broad areas in which specific additional initiatives are to be undertaken.

**Women**

Women comprised 43 per cent of employed persons in 1994 and were generally concentrated in the service industries, most notably *Education* and *Health and community services*. Females have a lower level of VET qualifications, lower labour force participation levels and are predominantly employed within the more traditionally female industries and occupations, as outlined in Chapter 2.5.

***A range of strategies targeting women have been outlined to support and encourage improved participation and outcomes.***

Most States and Territories outlined a range of strategies to improve women's access to vocational education and training with some States and Territories demonstrating a greater commitment than others. Examples include:

- five States and Territories plan to implement or improve recognition of prior learning (RPL) arrangements for women
- four States and Territories aim to increase participation of women in non-traditional areas. Strategies include a professional development program for teaching staff in non-traditional areas and the establishment of a model Women's Group Training Company, and
- three States and Territories outline initiatives to implement professional development programs for teaching staff on gender inclusive training. Activities designed to support and encourage women's participation in VET will also be implemented.

In addition, a national research study and literature search is currently being undertaken to test options for improving women's access to VET at operative levels. When complete, successful case studies will be disseminated widely.

**Aboriginal and Torres Strait Islander People**

New South Wales, Queensland, Western Australia and the Northern Territory have the highest Aboriginal and Torres Strait Islander populations. New South Wales and Queensland between them share 53 per cent of the indigenous population. States and Territories have generally focused on two major areas for action - increased consultation and increased participation in accredited courses:

- five States and Territories outline initiatives to implement or improve consultation processes with Aboriginal and Torres Strait Islander people. One objective is to develop comprehensive strategies to address vocational education and training needs. Queensland and Victoria have already developed Aboriginal and

Torres Strait Islander Strategic Plans and New South Wales will develop such a plan in 1996.

***Priorities for Aboriginal and Torres Strait Islander people are increased consultation and increased participation in accredited courses.***

- five States and Territories include initiatives to increase participation of Aboriginal and Torres Strait Islander people in particular accredited courses. Courses worth noting include: Certificates and Associate Diplomas in Community Teaching and Health Science, a Certificate in Primary Health Care and Rural and Land Management accredited programs. Queensland plans to fund accredited courses from growth funds to free up Aboriginal Employment Program funding for new initiatives
- two States will provide training in language and literacy and access to VET through specially designated courses or places including a flexible delivery approach that accounts for Aboriginal and Torres Strait Islander culture and environment. Training will be conducted through Aboriginal and Torres Strait Islander organisations, and
- two States outline the provision of professional development programs in cultural sensitivity for trainers.

**Other individual client groups**

Strategies for rural and isolated people, people lacking English language and literacy skills, the unemployed and people with disabilities were also addressed in the 1996 Profiles. In addition, some States and Territories addressed strategies for people in correctional centres.

***Initiatives for people with disabilities.***

Initiatives targeting people with disabilities most commonly related to increasing the provision of support services:

- five States and Territories outline initiatives in the support services area
- three States and Territories highlight activities to implement the *FlexAbility* project: a strategic framework for people with disabilities in TAFE 1994-1996.

Initiatives for people from non-English speaking backgrounds:

***Initiatives targeting people from non-English speaking backgrounds.***

- generally focus on improving English language and literacy skills, and
- some States also address other issues facing this group. For example, one initiative proposes to establish a work experience program for unemployed overseas qualified migrants. Another initiative proposes to work with relevant ITABs to ensure cultural diversity issues are incorporated into course curriculum.

*Initiatives for people in rural and isolated areas.*

Initiatives for people in rural and isolated areas include:

- encouragement of ITABs to improve coverage of needs in rural/isolated areas in Industry Training Plans and to identify the training needs of rural/isolated communities in co-operation with relevant officers dealing with rural affairs, and
- development of strategies to address the low participation in VET of rural workers and the training needs of rural women.

## 3.5 Training Market Development

*States and Territories are adopting a range of initiatives to develop the training market.*

One of the main elements of the training reform agenda is the expansion of the training market to encourage training that is more responsive to the needs of industry and individual clients. In doing so, a diverse range of services and courses, which address client needs, will be developed for industry and students to choose from.

All States and Territories showed commitment to competitive training market activities in their Training Profiles. Activities include competitive tendering arrangements, the use of preferred suppliers, user choice and commercial activities within colleges.

States and Territories have widely adopted competitive tendering processes, which may include all providers, only private providers, or only public providers competing for public funds to deliver training identified through the relevant Training Authority.

*Examples of competitive training initiatives aim also to increase efficiency.*

Examples of competitive training initiatives to be undertaken include:

- a major overall expansion of the proportion of funding to be set aside for the purchase of places through open tendering, preferred supplier arrangements and strategic partnerships between providers. In 1996, approximately $65m will be used for such purposes, more than double the allocation of funds for competitive activities in 1995. When State/Territory allocations for user choice activity are added, this figure will be even higher again.
- the enhancement of administrative efficiency through trialing a "preferred supplier" approach to purchasing vocational training places, whereby suppliers are competitively selected from a list detailing product price and features. This will lead to improved targeting and more efficient use of resources
- increased commercial activity resulting in increased TAFE college and community provider revenue from commercial activity and non-government sources, and

- policies developed and practices designed to provide competition in selected market segments ensuring a more open and responsive training market with more effective use of public funds.

***User choice pilots are underway.***

States and Territories also reported on user choice pilot activity. User choice refers to situations where the enterprise or student is able to customise the training they require with the provider of their choice, whether public or private. User choice pilots are currently being implemented in the off the job component of apprenticeships and traineeships and some Aboriginal and Torres Strait Islander programs. While acknowledging that user choice pilots are still in the early stages of development, the Authority would like to see more emphasis given to user choice pilots by States and Territories in future Training Profiles in line with key principles. Progress across States/Territories is uneven and there is a tendency to include a number of projects as user choice pilots that don't qualify under the above mentioned criteria.

Examples of initiatives planned for 1996 are:

- further user choice pilots based on the outcomes of the 1995 piloting which will identify the appropriate principles and conditions for user choice in the individual State/Territory
- development of an evaluation framework for use to test conditions which support user choice, including information requirements of employers and trainees and funding arrangements
- provision of brokerage services to assist employers to exercise user choice of provider, curriculum and delivery options
- extension of previous client purchasing arrangements by inviting enterprises to tender for funds on a competitive basis to meet workplace training requirements through user choice arrangements, and
- piloting of user choice in Aboriginal communities.

***Sharpening the focus of user choice pilots.***

To strengthen the focus of user choice pilots, the Authority proposes National Project funding of pilot developments through the allocation of $7m in 1996.

Key features of the User Choice National Project are:

- that funds will be nominally allocated to States/Territories on a "bid back" basis
- that States/Territories will approach firms to take part or will respond to like requests through employer groups and firms

- that the participation of national firms in pilots brokered by the Authority, and
- that the allocation of funds to providers by State/Territory Training Authorities will follow consultation between firms and providers.

***Flexible delivery initiatives will also be emphasised.***

Other training market development activities reported in the 1996 Training Profiles include the expansion of flexible delivery initiatives. Examples are:

- negotiations with colleges to provide rolling enrolments to overcome delays in attendance while classes are filled
- options for delivering courses on the job, and
- flexible learning centres as components of State and Territory Capital Development Plans.

Flexible delivery initiatives are also being pursued by States and Territories through the Interstate Co-operative Program and National Projects as reported in Chapter 5.

## 3.6 Australian Vocational Training System (AVTS)

***Client access to training will be facilitated through the implementation of the AVTS.***

At the MCEETYA meeting on 4 November 1994, Ministers agreed to commence the AVTS from 1 January 1995 with ANTA assuming responsibility for national aspects of the AVTS in accordance with the Ministerial Agreement for the establishment of ANTA.

The AVTS is a system of competency based, entry level training put into effect to provide a unified system for the Australian workforce. Training courses under the AVTS can be delivered by secondary schools, TAFE colleges, commercial providers, enterprise providers and industry. The AVTS covers all aspects of vocational education and training which lead to the development of skills at the point of entry to, or the initial stages of, employment. It can include apprenticeships and traineeship programs, labour market programs, VET courses, workforce retraining and vocational programs in schools.

***A commitment has been given to the AVTS National Transition Program.***

In 1995, a priority has been to ensure a faster and more effective implementation of the AVTS by the establishment of a National Transition Program to convert apprenticeship, traineeship and existing VET courses to AVTS principles. In their Training Profiles all States and Territories have given a commitment to the National Transition Program and agreed to assume the role of managing agents for priority areas in the translation of existing arrangements to an AVTS format.

States and Territories have also outlined a range of other initiatives which will aid in the implementation of the AVTS. These initiatives include:

*Additional initiatives will assist in the effective implementation of the AVTS.*

- establishing State/Territory managing committees with representatives from industry to co-ordinate implementation
- reviewing current legislation and training agreement practices to ensure there are no barriers to the implementation of AVTS
- ensuring that AVTS programs are targeted to specific disadvantaged groups
- developing accredited programs which can be delivered in schools
- promotion of the AVTS, and
- ensuring that appropriate professional development occurs.

By the end of 1996, significant progress will have been made across all industries in converting apprenticeships, traineeships and other VET courses to the AVTS through the National Transition Program. This process will provide increased opportunities for trainees, increase participation in VET for school students, ensure programs are able to be delivered to suit the needs of industry enterprises or individuals and provide links between educational sectors and the workplace.

## 3.7 Accreditation, Assessment and the Recognition of Training

*A national approach to the recognition of training is being developed to ensure quality and national consistency.*

The *National Strategy* identified a range of initiatives for States and Territories on accreditation, assessment and recognition of training. These initiatives were further addressed by the Authority's proposals to Ministers in May 1995 titled, *The National Agenda for Vocational Education and Training*. These proposals provide for a common set of agreements across States and Territories in relation to the National Framework for the Recognition of Training (NFROT), delegation for accreditation of providers, client service standards and arrangements for assessment for national recognition of competencies.

Further development of issues in relation to NFROT, the Australian Qualifications Framework and accreditation and assessment have been taken up by the ANTA Standards and Curriculum Council from 1 July 1995. While the implementation of most measures is proceeding satisfactorily, there are continuing problems with the operation of NFROT. This is the matter of a separate report to Ministers.

***Initiatives in the 1996 Training Profiles on accreditation and assessment build on proposals under* The National Agenda for Vocational Education and Training.**

The 1996 Training Profiles have identified a number of initiatives and priority areas to promulgate the agreements reached by Ministers. Proposed outcomes include:

- the incorporation of best practice approaches to the application of national guidelines for accreditation and registration
- identified measures to further establish partnerships between training providers and industry in order to increase the levels of recognised and accredited training
- increased workplace assessment through the development of a network of assessors that meet competency standards
- the promotion of the Australian Qualifications Framework and recognition of prior learning processes
- the provision of accredited training for assessors to enhance the quality of assessment of Recognition of Prior Learning, and
- implementation of nationally agreed client service standards.

### 3.8 Other Initiatives

Other key strategies being pursued towards implementation of the *National Strategy* include:

- a national Strategic Plan for Staff Development, released in 1995, which outlines a number of measures to be taken for those working in the vocational education and training sector, including private and industry training providers and ITABs
- a network of training information services is being established in all States and Territories based on the successful pilot project known as Training Reform Agenda Information Network (TRAIN), developed by the NSW Board of Vocational Education and Training, and
- surveys to gauge employer and student satisfaction with VET and a graduate destination survey are being developed for regular use.

# 4. 1996 Profiles - The Planning Process

## 4.1 Achievements of the Planning Process

***Significant improvements have been made in the methodology and processes to gather input.***

A key objective of the NVETS Agreement is to ensure that the vocational education and training (VET) system is client focused, reflecting the needs of industry, the community and individuals. Significant improvements in the methodology and processes adopted to gather input into the 1996 Training Profiles have been made, thus enhancing responsiveness of the VET system to the training needs of industry and other client groups.

States and Territories have sought contributions from State/Territory Industry Training Advisory Bodies (ITABs), employers, industry organisations, trade unions, training providers, government departments and agencies and community groups representing individual groups of students.

***Close consultations with industry groups have identified training priorities and strategies.***

Industry input has been provided in the form of industry training plans prepared by State/Territory ITABs and on the basis of information collected from individual enterprises including information from provincial and country areas. Some States also issued follow up questionnaires to obtain additional information from industry on skill shortages and gaps. Contributions from other peak industry organisations were obtained through workshops, submissions and representation on Profiles working parties. Several States/Territories produced summaries of the information received on State industry training priorities to advise providers of the needs of industry clients.

Complementing this process, ANTA worked in close consultation with national ITABs and published the *Guide to Training Priorities of National Industry Training Advisory Bodies 1995-1997*. The *Guide* was provided to States and Territories during the planning and development of their Training Profiles as previously outlined.

***Consultation with community groups has increased considerably.***

Many community groups have traditionally been under represented in VET with relatively limited access to training and opportunities for employment and promotion. Amongst these groups are people with disabilities, Aboriginal and Torres Strait Islander people, women, people with inadequate social and functional skills in English language and literacy and people from non-English speaking backgrounds. Consultation with these groups has increased considerably, especially on issues which impact directly on their training outcomes and employment opportunities.

*Analysis of economic and social trends has been undertaken.*

States and Territories have also continued to analyse economic and social forecast data from various sources and to use these in combination with the information collected from those at the grassroots level to inform their decisions on strategic directions to be taken in VET. In some States and Territories the development and use of sophisticated models is becoming a feature of decision making on annual resource allocations across training areas and to providers.

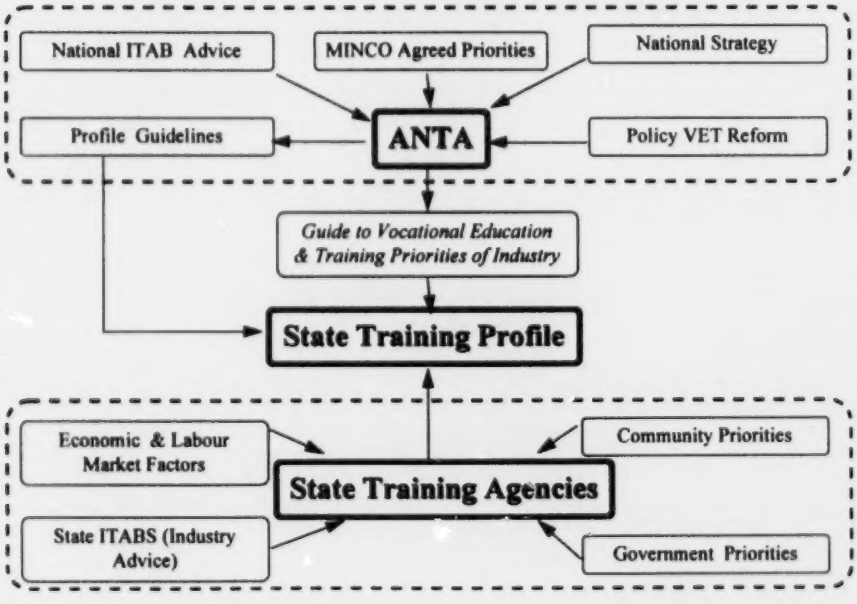
## 4.2 Areas for further development

*However, the "big picture" training market context could be better developed.*

There is room for improvement however, in the planning framework which is developed. The "big picture" context in which vocational education and training activity is being planned, needs to be better understood and taken into account. The planning processes in place in the States and Territories are aimed at determining the best use of the resources available for VET from Commonwealth and State government funds through the NVETS agreement. To do this, consideration needs to be given to how the vocational education and training sector links with other education sectors.

The schools, adult and community education and higher education sectors are all developing their own relationships and roles with respect to vocational education and training. Opening up training pathways for students between the education sectors is a key element of the training reform agenda. These linkages need to be more closely established and taken into account in future Training Profiles. The New South Wales 1996 Training Profile provides current best practice in this regard.

**Figure 4.1: State/Territory Profile Process**



# 5. 1996 Profiles - Planned Activity

## 5.1 Introduction

Training Profiles outline vocational education and training (VET) activity to be delivered under the NVETS Agreement with Commonwealth and State/Territory funds, including those providers and industries receiving government funding.

***There have been changes to Training Profile reporting requirements so that activity is presented in terms more relevant to industry.***

There have been changes in reporting requirements on VET activity since 1994, the first year in which Training Profiles were developed. Table 5.1 provides a summary of the key parameters on which training activity information has been provided through the Profiles process. The most significant change has been the introduction in the 1996 Profiles of a new format for reporting activity, details of which are contained in Appendix C. In brief, the format distributes VET activity across a matrix which categorises training with reference to the type of occupation/skill for which students are prepared. These occupations/skills are grouped according to the industries in which they predominantly fall. Other changes have been made so that activity reported is in terms of the scope and boundary of the NVETS Agreement.

**Table 5.1: Training Profile Processes - Summary of Activity Table Requirements for 1994, 1995 and 1996**

| 1994 | 1995 | 1996 |
|---|---|---|
| | *Format* | |
| • Field of study by stream | • Field of study by stream<br>• Activity by ASCO major groups<br>• Activity by ASCO minor groups, 1995 only | • 19 training areas within three categories of training:<br>– industry specific<br>– relevant to many industries, and<br>– general |
| | *Measures* | |
| • Annual student contact hours<br>• Student numbers | • Annual student contact hours<br>• Student numbers | • Annual hours curriculum<br>• Enrolments |
| | *Scope and Boundary* | |
| • Commonwealth growth<br>• Total government funded<br>• Other "fee for service" | • As for 1994 | • As for 1995<br>• Scope and boundary of government funded activity clearly identified |

## 5.2 Planned growth in activity 1994-1996

***The VET system continues to expand.***

Planned growth in activity since the ANTA agreement came into effect is shown in Table 5.2. Overall, for 1996 an additional 32.7m contact hours of training, equating to approximately 140,000 student places, will be provided in addition to what was provided in 1993. Of this, 26.1m hours are attributable to Commonwealth growth funding and the remainder to State growth. Actual growth in activity over the period is likely to be higher than this. In 1994, expected levels were exceeded by approximately 3.4m hours.

**Table 5.2: Growth in VET Activity 1994-1996 ('000 Hours)[1]**

| Funding | 1994 | 1995[2] | 1996[2] |
|---|---|---|---|
| Commonwealth Growth | | 8,700 | 8,696 |
| State Growth/Productivity | | 2,100 | 1,337 |
| ***Total Government*** | ***230,685*** | ***241,237*** | ***251,270*** |

1. The 1994 figure is not directly comparable with the figures for 1995 and 1996 because a more closely defined scope and boundary was introduced in the latter years to ensure that only activity funded through the NVETS Agreement was included.
2. Refers to Revised Estimates.
Sources: *Australia's Vocational Education and Training System: Annual National Report*, 1994; 1996 State/Territory Training Profiles

## 5.3 Planned activity in 1996

***An additional 10.0m training hours or 46,300 enrolments will be available in 1996.***

In 1996, Commonwealth growth funds are projected to provide 8,696,000 annual hours curriculum (AHC) equivalent to 39,106 enrolments. This funding together with State/Territory growth will create an additional 10,033,000 AHC or 46,243 enrolments. As a result, it is expected that total government funded activity in the VET sector will amount to 251,270,000 AHC or 1,233,796 enrolments.

Expected changes to training activity levels between 1995 and 1996 for each State/Territory, are shown in Appendix B.

## 5.4 Comparison of Relative Effort

The Authority examined advice from States and Territories on training expenditure and expected activity. Table 5.3 provides a summary of the information.

**Table 5.3: Population, Activity and Expenditure Share by State/Territory (Per cent)**

| | Pop Share[1] | AHC | | Enrolments[2] | | Total Funds[3] | |
|---|---|---|---|---|---|---|---|
| | 1996 | 1995* | 1996 | 1995* | 1996 | 1995* | 1996 |
| NSW | 33.62 | 39.81 | 39.41 | 34.29 | 34.01 | 38.09 | 38.45 |
| VIC | 24.86 | 25.75 | 25.70 | 29.35 | 28.94 | 22.43 | 22.30 |
| QLD | 18.38 | 16.28 | 16.84 | 17.77 | 18.36 | 14.87 | 14.89 |
| SA | 8.01 | 6.05 | 5.94 | 5.69 | 5.61 | 7.84 | 7.60 |
| WA | 9.75 | 7.71 | 7.70 | 8.69 | 8.88 | 9.60 | 9.71 |
| TAS | 2.54 | 1.54 | 1.56 | 1.70 | 1.73 | 2.55 | 2.55 |
| NT | 1.02 | 1.04 | 1.03 | 0.88 | 0.84 | 2.19 | 2.14 |
| ACT | 1.82 | 1.83 | 1.82 | 1.62 | 1.63 | 2.43 | 2.36 |
| ***Total*** | ***100.00*** | ***100.00*** | ***100.00*** | ***100.00*** | ***100.00*** | ***100.00*** | ***100.00*** |

1. 15 to 64 year old population.
2. Refers to course based enrolments.
3. Includes all Commonwealth and State vocational education and training funds excluding expenditure on Capital, Interstate Co-operative Projects and National Projects.

* Refers to 1995 Revised Estimates.

Sources: ABS population projections provided as a special data run; 1996 State/Territory Training Profiles; advice from States/Territories.

The table highlights variations in the delivery costs of each State/Territory. For example, some States/Territories are providing funding which reflects their population but are delivering less than their population share in AHC. By contrast, other States/Territories are providing less than their population share of total funds but are delivering their population share of AHC and enrolments.

The estimated average cost per AHC for Commonwealth funded growth activity in 1996 is $8.05. This is 61 cents higher than in 1995. The main reason for this increase is because more expensive courses are being targeted through the growth funding. This price compares to the average cost throughout the total government funded system in 1996 of $9.37 which is four cents more than for 1995. Table 5.4 provides details of average unit costs per hour.

**Table 5.4: Aver: ge Unit Cost Per Hour: Total Government Funded Activity and Commonwealth Funded Growth Activity ($ per AHC)**

| | 1994 | | 1995 | | 1996 | |
|---|---|---|---|---|---|---|
| | Total | Growth | Total | Growth | Total | Growth |
| NSW | 9.03 | 6.35 | 8.93 | 6.92 | 9.14 | 7.83 |
| VIC | 8.01 | 6.41 | 8.13 | 6.85 | 8.13 | 7.31 |
| QLD | 7.92 | 8.56 | 8.52 | 8.40 | 8.28 | 8.20 |
| SA | 12.78 | 11.54 | 12.09 | 9.65 | 11.98 | 8.68 |
| WA | 11.77 | 7.02 | 11.62 | 8.04 | 11.81 | 10.09 |
| TAS | 16.49 | 8.53 | 15.48 | 9.02 | 15.31 | 8.89 |
| NT | 20.77 | 7.82 | 19.77 | 8.19 | 19.43 | 10.63 |
| ACT | 12.94 | 6.75 | 12.37 | 5.88 | 12.18 | 8.43 |
| ***National Ave*** | ***9.27*** | ***7.09*** | ***9.33*** | ***7.44*** | ***9.37*** | ***8.05*** |

Source: Unweighted data from 1996 State Training Profiles; financial information supplied by States.

If all 1996 growth was purchased at Victoria's 1996 average cost of $8.13, that is the lowest average cost, the activity generated would be 8,613,300 hours; 83,200 hours or 1 per cent less than the growth funded activity negotiated with States/Territories in the 1996 Profiles.

Substantial work has now been undertaken to investigate the relative cost per student contact hour in different State/Territory systems. Ministers agreed that work should be undertaken on this matter through the Australian Committee of Vocational Education and Training Statistics (ACVETS).

Table 5.5 shows AHC and course based enrolments per 1000 of population aged 15-64 for each State/Territory. As can be seen, the provision of VET, in terms of hours, is growing slightly more quickly than the working aged population. Provision of longer courses in some States/Territories means however that increased provision of hours does not necessarily lead to directly proportional increases in the provision of course based enrolments. Modular enrolments are excluded from this table for purposes of comparison between States/Territories.

**Table 5.5: Hours and Course Based Enrolments per 1000 of Population Aged 15-64**

| | 1995 | | 1996 | |
|---|---|---|---|---|
| | AHC | Course Based Enrolments | AHC | Course Based Enrolments |
| New South Wales | 23,715 | 91.2 | 24,187 | 93.3 |
| Victoria | 20,663 | 105.2 | 21,329 | 107.3 |
| Queensland | 17,969 | 87.6 | 18,906 | 92.2 |
| South Australia | 15,038 | 63.1 | 15,306 | 64.6 |
| Western Australia | 15,965 | 80.4 | 16,292 | 83.9 |
| Tasmania | 12,063 | 59.6 | 12,662 | 63.0 |
| Northern Territory | 20,649 | 78.7 | 20,929 | 76.3 |
| Australian Capital Territory | 20,303 | 80.4 | 20,607 | 82.7 |
| ***Total*** | ***20,065*** | ***89.6*** | ***20,634*** | ***92.2*** |

Sources: 1996 Training Profiles; ABS population projections provided as a special data run

The NVETS Agreement provides that States and Territories will maintain, and in some cases lift, their current effort. It also provides that, in moving to measurement of the system on an outcomes basis, "any State which is demonstrably underachieving would agree to increase its effort to an agreed level in outcome terms. In the interim, there may be agreed arrangements for those States to increase their funding contributions".

The Authority has focussed its attention until now on the need to maintain effort and encourage growth generally across States and Territories. The data contained in Table 5.5 show marked differences in effort between States/Territories when measured against the 15-64 year old population. Whilst acknowledging that modular activity should also be taken into consideration, the Authority considers that it needs to do more work on the issue of relative effort between States/Territories and to address this in the context of 1997 Training Profiles.

## 5.5 Distribution of Activity Between Training Areas

Table 5.6 shows the distribution of total government funded activity between occupations predominantly associated with the broad areas of: Manufacturing, Rural and Construction; Services; Business; and General Education and Training

These broad training areas are aggregations of the 19 training areas devised by ANTA (see Appendix C). The distribution of activity for 1996 is shown in greater detail in Table 5.7.

**Table 5.6: Total Government Activity for 1995 and 1996 and Persons Employed by Broad Training Area**

| | 1995 Revised | | Projected 1996 | | Change | | Per's Emp'd |
|---|---|---|---|---|---|---|---|
| | ('000s) | % | ('000s) | % | ('000s) | % | % |
| | | | *AHC* | | | | |
| Manufacturing, Rural and Construction | 81,548 | 33.8 | 84,363 | 33.6 | 2,815 | 28.1 | 28.9 |
| Services | 59,712 | 24.8 | 64,004 | 25.5 | 4,292 | 42.8 | 41.5 |
| Business | 54,729 | 22.7 | 56,809 | 22.6 | 2,080 | 20.7 | 22.0 |
| General Education | 44,722 | 18.5 | 45,533 | 18.1 | 810 | 8.1 | - |
| Not Allocated | 526 | 0.2 | 561 | 0.2 | 35 | 0.3 | - |
| ***Total*** | ***241,237*** | ***100.0*** | ***251,270*** | ***100.0*** | ***10,033*** | ***100.0*** | |
| | 1995 Revised | | Projected 1996 | | Change | | Per's Emp'd |
| | | % | | % | | % | % |
| | | | *Enrolments* | | | | |
| Manufacturing, Rural and Construction | 364,624 | 30.7 | 385,088 | 31.2 | 20,465 | 44.3 | 28.9 |
| Services | 245,003 | 20.6 | 259,065 | 21.0 | 14,061 | 30.4 | 41.5 |
| Business | 307,495 | 25.9 | 315,798 | 25.6 | 8,303 | 18.0 | 22.0 |
| General Education | 269,000 | 22.7 | 270,032 | 21.9 | 1,032 | 2.2 | - |
| Not Allocated | 1,429 | 0.1 | 3,809 | 0.3 | 2,380 | 5.1 | - |
| ***Total*** | ***1,187,553*** | ***100.0*** | ***1,233,796*** | ***100.0*** | ***46,243*** | ***100.0*** | |

Notes: Columns may not sum to totals due to rounding.
Sources: 1996 Training Profiles; ABS Labour Force Survey data for August 1993, November 1993, February 1994 and May 1994 by ASCO aggregated using the same groupings as have been applied to course based activity

In 1996, 33.6 per cent of training activity will be directed towards the Manufacturing, Rural and Construction area, 25.5 per cent towards the Service area, 22.6 per cent towards Business (including management skills, clerical skills and computing) and 18.1 per cent to General Education and Training. The remaining 0.2 per cent of activity planned for 1996 has yet to be allocated to any specific area. This unallocated activity includes resources held back to accommodate traineeships.

***The allocation of 1996 growth activity between industries reflects strategic priorities.***

The distribution of total government funded activity in 1996 represents little change in comparison with that for 1995, however, the allocation of 1996 growth activity clearly reflects strategic priorities. Occupations in the fast growing service industries will receive 42.8 per cent of additional activity and another 20.7 per cent will go to occupations in the Business area.

Differentials in course length mean that provision of annual hours curriculum is not directly proportionate to provision of enrolments. As a result of longer courses in the Services area, this area will account for only 30.4 per cent of the additional enrolments in 1996.

Table 5.7 shows total government funded activity for 1996, in terms of AHC and enrolments by training area.

**Table 5.7: Total Government Funded Activity 1996, and Persons Employed by Training Area**

| | AHC | | | | Enrolments | | | | Per's |
|---|---|---|---|---|---|---|---|---|---|
| | Total | | Growth | | Total | | Growth | | Emp'd |
| | ('000s) | % | ('000s) | % | | % | | % | % |
| **Manufacturing, Rural and Construction** | | | | | | | | | |
| Automotive | 7,871 | 3.1 | 381 | 3.8 | 33,760 | 2.7 | 1,246 | 2.7 | 2.3 |
| Building and Construction | 20,083 | 8.0 | 565 | 5.6 | 70,857 | 5.7 | 2,593 | 5.6 | 6.5 |
| Engineering and Mining | 17,067 | 6.8 | 431 | 4.3 | 87,906 | 7.1 | 3,143 | 6.8 | 4.5 |
| Food Processing | 2,424 | 1.0 | 386 | 3.9 | 20,003 | 1.6 | 6,812 | 14.7 | 1.0 |
| Primary Industry | 10,157 | 4.0 | 356 | 3.5 | 52,970 | 4.3 | 2,617 | 5.7 | 6.9 |
| Process Manufacturing | 361 | 0.1 | 30 | 0.3 | 2,773 | 0.2 | 404 | 0.9 | 0.6 |
| Science, Technical and Other | 8,650 | 3.4 | 381 | 3.8 | 42,566 | 3.4 | 1,766 | 3.8 | 1.9 |
| TCF and Furnishings | 6,363 | 2.5 | 192 | 1.9 | 29,459 | 2.4 | 1,268 | 2.7 | 1.9 |
| Utilities | 11,389 | 4.5 | 93 | 0.9 | 44,794 | 3.6 | 615 | 1.3 | 3.3 |
| *Subtotal* | *84,363* | *33.6* | *2,815* | *28.1* | *385,088* | *31.2* | *20,465* | *44.3* | *28.9* |
| **Services** | | | | | | | | | |
| Arts, Entertain, Sports & Rec | 11,082 | 4.4 | 345 | 3.4 | 38,659 | 3.1 | 786 | 1.7 | 0.8 |
| Communications | 1,889 | 0.8 | 188 | 1.9 | 8,108 | 0.7 | 918 | 2.0 | 1.7 |
| Com Services, Hth & Ed | 21,235 | 8.5 | 1,279 | 12.7 | 74,619 | 6.0 | 2,877 | 6.2 | 9.0 |
| Fin, Banking & Insurance | 3,277 | 1.3 | 144 | 1.4 | 19,624 | 1.6 | 331 | 0.7 | 3.3 |
| Sales and Personal Service | 6,422 | 2.6 | 982 | 9.8 | 29,458 | 2.4 | 3,838 | 8.3 | 14.7 |
| Tourism and Hospitality | 18,438 | 7.3 | 1,192 | 11.9 | 73,107 | 5.9 | 4,093 | 8.9 | 5.5 |
| Transport and Storage | 1,660 | 0.7 | 162 | 1.6 | 15,491 | 1.3 | 1,217 | 2.6 | 6.5 |
| *Subtotal* | *64,004* | *25.5* | *4,292* | *42.8* | *259,065* | *21.0* | *14,061* | *30.4* | *41.5* |
| **Business** | | | | | | | | | |
| Business and Clerical | 44,749 | 17.8 | 1,717 | 17.1 | 220,323 | 17.9 | 6,470 | 14.0 | 20.1 |
| Computing | 12,060 | 4.8 | 362 | 3.6 | 95,475 | 7.7 | 1,833 | 4.0 | 1.9 |
| *Subtotal* | *56,809* | *22.6* | *2,080* | *20.7* | *315,798* | *25.6* | *8,303* | *18.0* | *22.0* |
| **General Ed & Training** | 45,533 | 18.1 | 810 | 8.1 | 270,032 | 21.9 | 1,032 | 2.2 | |
| Not Yet Allocated | 561 | 0.2 | 35 | 0.3 | 3,809 | 0.3 | 2,380 | 5.1 | |
| *Not Covered*[1] | | | | | | | | | *7.6* |
| ***Total*** | ***251,270*** | ***100.0*** | ***10,033*** | ***100.0*** | ***1,233,796*** | ***100.0*** | ***46,243*** | ***100.0*** | ***100.0*** |

1. Occupations not covered by VET are those professional and para-professional occupations for which there is no training through the publicly funded VET system

Sources: 1996 Training Profiles; ABS Labour Force Survey data for August 1993, November 1993, February 1994, May 1994 by ASCO aggregated using the same groupings as have been applied to course based activity.

Major areas for expansion in 1996 include Business and Clerical (receiving 17.1 per cent of growth in hours); Community Service, Health and Education (12.7 per cent); Tourism and Hospitality (11.9 per cent);

Sales and Personal Services (9.8 per cent); and General Education and Training (8.1 per cent). Most of the additional enrolments generated in 1996 will appear in the Food Processing (14.7 per cent); Business and Clerical (14.0 per cent); Tourism and Hospitality (8.9 per cent); and Sales and Personal Service (8.3 per cent) areas.

The increases in provision in Food Processing and Sales and Personal Service areas are particularly notable because these areas have not been major recipients of government funded VET provision in the past.

Extreme caution must be exercised in correlating the distribution of VET provision with the distribution of persons employed. As outlined in Chapter 2, training needs result from a complex array of factors. Such a comparison may highlight areas of possible shortfall, but this is not to say that shortfalls do not exist in other areas. The areas of Primary Industry; Sales and Personal Services and Transport and Storage receive a significantly lower share of publicly funded VET relative to the proportion of persons employed in these areas.

Some areas, such as Process Manufacturing, benefit from training which cannot be separated from that shown against other areas; in this case Engineering and Mining. Other areas also rely on the higher education sector for vocational education and training. This factor needs to be kept in mind with reference to such areas as Community Services; Health and Education; Finance, Banking and Insurance (including Property Services); and Business and Clerical. Nevertheless, these areas also receive a low share of publicly funded VET activity relative to the proportion of persons employed in these groups.

## 5.6 State Growth Priorities

While Section 5.5 has shown aggregate shifts in activity at the national level, there are significant variations in growth allocation between States/Territories. Table 5.8 summarises State/Territory growth priorities and areas which are projected to undergo significant expansion in 1996.

## Table 5.8: State Growth Priorities

| | Growth Priorities | Other Areas to be Significantly Expanded |
|---|---|---|
| NSW | Arts, Entertainment, Sports and Recreation; Business and Clerical; Community Services Health and Education; Sales and Personal Services; Tourism and Hospitality; General Education and Training. | Automotive; Communications; Computing; Food Processing; Science, Technical and Other. |
| VIC | Business and Clerical; Community Services, Health and Education; Sales and Personal Services; Tourism and Hospitality; General Education and Training. | Communications; Finance, Banking & Insurance (including Property Services); Textiles, Clothing and Footwear and Furnishings; Science, Technical and Other; Transport and Storage. |
| QLD | Business and Clerical; Community Services, Health and Education; Food Processing; Engineering and Mining; Tourism and Hospitality. | Automotive; Communications; Process Manufacturing; Primary Industry; Sales and Personal Services; Textile, Clothing and Footwear and Furnishing; Science, Technical and Other; Transport and Storage. |
| WA | Business and Clerical; Community Services, Health and Education; Engineering and Mining; Tourism and Hospitality; General Education and Training. | Building and Construction; Finance, Banking and Insurance (including Property Services); Sales and Personal Services. |
| SA | Business and Clerical; Community Services, Health and Education; Computing; Primary Industry; Utilities. | Building and Construction; Transport and Storage. |
| TAS | Automotive; Community Services, Health and Education; Engineering and Mining; Food Processing; Primary Industry; Sales and Personal Services; Textile, Clothing and Footwear and Furnishing; General Education and Training. | Finance Banking and Insurance (including Property Services); Process Manufacturing; Transport and Storage. |
| NT | Building and Construction; Business and Clerical; Engineering and Mining; Primary Industry; Tourism and Hospitality. | Arts and Entertainment; Sport and Recreation; Finance, Banking and Insurance (including Property Services); Food Processing; Textiles, Clothing and Footwear and Furnishing; Transport and Storage; Utilities. |
| ACT | Arts, Entertainment, Sports and Recreation; Automotive; Engineering and Mining; Science, Technical and Other; Textiles, Clothing and Footwear and Furnishings; Tourism and Hospitality. | Sales and Personal Services. |

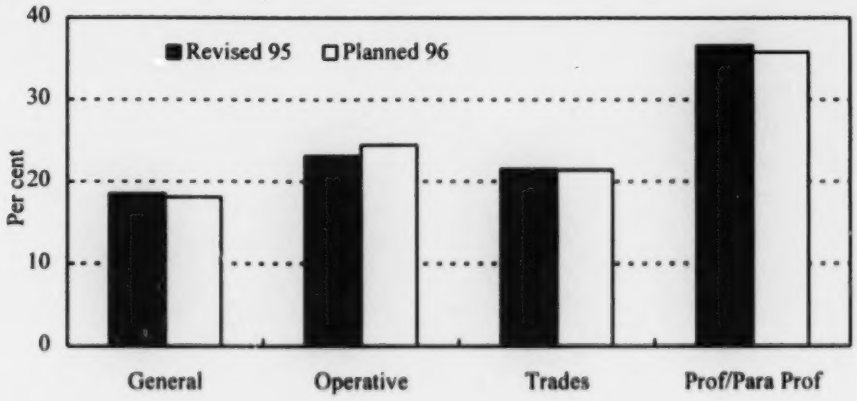
## 5.7 Distribution of Activity between Occupational Levels

***The balance of training provision between occupational levels is relatively even.***

Data discussed in this section show the proportion of VET activity directed towards training for each of the levels of occupations: operatives, tradespersons and professionals/para-professionals as well as general education and training.

VET activity is relatively evenly distributed between general education, training for operative workers, tradespersons and professionals/para-professionals. The proportion of training, in terms of AHC, directed towards tradespersons is about 21 per cent while training directed towards operative workers is 24 per cent and that directed to professionals/para-professionals is about 36 per cent. The remaining 18 per cent of training is being directed towards general education and training.

**Figure 5.1: Distribution of Activity by Occupational Levels (ASCO) (Per cent of AHC)**




Notes: This distribution of activity across occupational levels is different from the distribution published in *Directions and Resource Allocations for 1995* which was by stream.
Source: 1995 Training Profiles; 1996 Training Profiles

***States and Territories are responding to the needs of operative level workers.***

While little variation will occur in the distribution of training activity across occupational levels between 1995 and 1996, States/Territories have responded to the need, identified in the *National Strategy*, to direct more resources towards training for operative level workers. As shown in Table 5.9, some 56.4 per cent of growth activity for 1996 will be directed towards training for operative level workers and 67.7 per cent of growth in enrolments. The support for *Working Nation* targets is also reflected in this result.

***Operative workers are to receive the largest proportion of additional activity in 1996.***

Overall, training for operative level workers will increase by 5,658,000 hours, an increase of 10.2 per cent in 1996. Training for professional/para-professionals will increase by 1,621,000 AHC, an increase of 1.8 per cent and training for tradespersons will increase by 1,911,000 AHC, an increase of 3.7 per cent. Activity devoted to General Education and Training will increase slightly by 810,000 AHC.

**Table 5.9: Revised Activity for 1995 and Persons Employed 1993-94 by Occupational Level (ASCO)**

| | 1995 Revised | | Projected 1996 | | Change | | Per's Emp'd |
|---|---|---|---|---|---|---|---|
| | ('000s) | % | ('000s) | % | ('000s) | % | % |
| | | | *Annual Hours Curriculum* | | | | |
| Professional/Para-Prof. | 88,339 | 36.6 | 89,961 | 35.8 | 1,621 | 16.2 | 29.5 |
| Tradespersons | 51,883 | 21.5 | 53,794 | 21.4 | 1,911 | 19.0 | 14.7 |
| Operative | 55,766 | 23.1 | 61,423 | 24.4 | 5,658 | 56.4 | 55.8 |
| General Education | 44,722 | 18.5 | 45,533 | 18.1 | 810 | 8.1 | - |
| Not Allocated | 526 | 0.2 | 561 | 0.2 | 35 | 0.3 | - |
| ***Total*** [1] | ***241,237*** | ***100.0*** | ***251,270*** | ***100.0*** | ***10,033*** | ***100.0*** | ***100.0*** |
| | 1995 Revised | | Projected 1996 | | Change | | Per's Emp'd |
| | | % | | % | | % | % |
| | | | *Enrolments* [2] | | | | |
| Professional/Para-Prof. | 342,959 | 31.8 | 346,808 | 30.9 | 3,849 | 8.4 | 29.5 |
| Tradespersons | 227,621 | 21.1 | 235,378 | 21.0 | 7,757 | 16.9 | 14.7 |
| Operative | 259,235 | 24.1 | 290,205 | 25.8 | 30,970 | 67.7 | 55.8 |
| General Education | 246,159 | 22.8 | 246,976 | 22.0 | 817 | 1.8 | - |
| Not Allocated | 1,429 | 0.1 | 3,809 | 0.3 | 2,380 | 5.2 | - |
| ***Total*** [1] | ***1,077,404*** | ***100.0*** | ***1,123,177*** | ***100.0*** | ***45,773*** | ***100.0*** | ***100.0*** |

1. Columns may not sum to totals due to rounding.
2. "Module Only" enrolments have been excluded from this table.

Sources: 1996 Training Profiles (vocational training which is not targeted to any particular level of occupation has been apportioned across levels); ABS Labour Force Survey data, February 1995.

## 5.8 Comparisons of Activity Distribution by Occupational Level

States/Territories vary considerably in their distribution of activity between levels of occupations. By comparison with the national distribution, Victoria, Tasmania, the Northern Territory and the Australian Capital Territory have a higher proportion of activity, in terms of AHC, in the professional/para-professional area. South Australia, Western Australia, Tasmania and the Australian Capital Territory have allocated a higher proportion of activity to trades training. New South Wales has allocated a considerably greater proportion of activity, in terms

of AHC to general education and training than any other State or Territory; and Victoria and the Northern Territory have allocated a higher than average number of enrolments to this level.

The proportion of activity allocated to training for operative level occupations ranges from 18 per cent in Western Australia to 39.2 per cent in Queensland. In all States/Territories the provision of activity at this level is extremely low in comparison with the percentage of employed persons in operative level occupations.

The distribution of activity by occupational level for each State/Territory is shown in Table 5.10.

**Table 5.10: Distribution of Total Government Activity for 1996 and Persons Employed 1993-4 by Level by State/Territory (Per cent)**

| | General | Operative | Trades | Prof/ Para | Not Alloc | Total |
|---|---|---|---|---|---|---|
| **NSW** | | | | | | |
| AHC | 25.7 | 19.5 | 21.2 | 33.6 | | 100.0 |
| Course Enrolments | 21.5 | 24.1 | 23.8 | 30.6 | | 100.0 |
| Persons Employed | | 53.9 | 14.2 | 31.9 | | 100.0 |
| **VIC** | | | | | | |
| AHC | 14.1 | 24.3 | 18.7 | 42.8 | | 100.0 |
| Course Enrolments | 26.6 | 29.5 | 15.1 | 28.8 | | 100.0 |
| Persons Employed | | 53.2 | 14.5 | 32.3 | | 100.0 |
| **QLD** | | | | | | |
| AHC | 12.2 | 39.2 | 19.6 | 29.0 | | 100.0 |
| Course Enrolments | 22.9 | 26.9 | 17.4 | 32.8 | | 100.0 |
| Persons Employed | | 57.8 | 15.1 | 27.1 | | 100.0 |
| **SA** | | | | | | |
| AHC | 11.0 | 23.5 | 33.8 | 31.7 | | 100.0 |
| Course Enrolments | 10.4 | 26.2 | 33.0 | 30.3 | | 100.0 |
| Persons Employed | | 52.3 | 14.9 | 32.8 | | 100.0 |
| **WA** | | | | | | |
| AHC | 15.9 | 18.0 | 27.2 | 36.4 | 2.5 | 100.0 |
| Course Enrolments | 15.8 | 17.8 | 27.0 | 36.0 | 3.5 | 100.0 |
| Persons Employed | | 55.3 | 16.6 | 28.1 | | 100.0 |
| **TAS** | | | | | | |
| AHC | 3.9 | 29.2 | 27.9 | 39.0 | | 100.0 |
| Course Enrolments | 19.4 | 28.3 | 21.3 | 31.0 | | 100.0 |
| Persons Employed | | 54.5 | 16.2 | 29.3 | | 100.0 |
| **NT** | | | | | | |
| AHC | 17.7 | 29.7 | 13.0 | 39.5 | | 100.0 |
| Course Enrolments | 28.0 | 28.1 | 13.2 | 30.7 | | 100.0 |
| Persons Employed | | 51.3 | 15.9 | 32.8 | | 100.0 |
| **ACT** | | | | | | |
| AHC | 9.1 | 23.6 | 23.2 | 42.6 | 1.5 | 100.0 |
| Course Enrolments | 14.3 | 26.7 | 26.4 | 30.8 | 1.9 | 100.0 |
| Persons Employed | | 51.1 | 9.9 | 39.0 | | 100.0 |

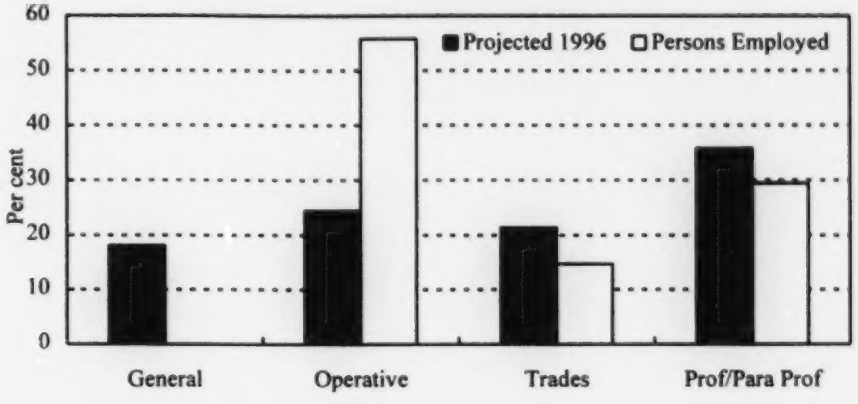
Sources: 1996 Training Profiles (vocational training which has not been allocated to any particular level of occupation has been apportioned across levels); ABS Labour Force Survey data, for August 1993, November 1993, February 1994, May 1994 by ASCO.

## 5.9 Training for Operative Level Workers in 1996

***Operative level workers make up 55.8 per cent of the labour force but only 24 per cent of government funded VET relates to operative level workers.***

Despite the direction of 56.4 per cent of growth activity towards training for operative level occupations in 1996, the proportion of total government funded activity will still remain substantially lower than the proportion of persons employed in operative level occupations. Figure 5.2 compares VET activity with the distribution of persons employed at each level of occupation.

**Figure 5.2: Distribution of Projected 1996 AHC and Persons Employed by Occupational Level (ASCO)**




Source: 1996 Training Profiles; ABS Labour Force Survey data, February 1995

***This disparity in training provision is found in almost all training areas.***

Table 5.11 shows the distribution of total 1996 government funded training activity which is directed specifically towards training for operative level occupations within each of the 19 training areas. For purposes of comparison, the table also shows operative workers employed in each area as a proportion of the total of persons for 1993-94. Care must be exercised in interpreting these data because training needs are not necessarily equal across occupations. It is clear however, that operative level occupations in many training areas receive a disproportionately small share of publicly funded VET.

This disparity is particularly severe in the areas of Sales and Personal Services; Transport and Storage; Business and Clerical; and Computing. Also of concern are the areas of Primary Industry; Process Manufacturing; Science, Technical and Other; Textiles, Clothing Footwear and Furnishings; Communications; Finance, Banking and Insurance (including Property Services) and Tourism and Hospitality.

**Table 5.11: Total 1996 Government Funded Activity Directed Towards Training for Operative Level Occupations and Persons Employed in Operative Level Occupations by Training Area[1]**

| Training Area | Annual Hours Curriculum Projected '96 ('000s) | % [2] | Net Growth '96 ('000s) | % | Operative Workers Emp'd % [3] |
|---|---|---|---|---|---|
| **Manufacturing, Rural, Construction** | | | | | |
| Automotive | 1,201 | 0.6 | 226 | 2.5 | 0.1 |
| Building and Construction | 4,300 | 2.1 | 277 | 3.0 | 2.1 |
| Engineering and Mining | 1,904 | 0.9 | -12 | -0.1 | 0.4 |
| Food Processing | 1,315 | 0.6 | 362 | 3.9 | 0.3 |
| Primary Industry | 3,664 | 1.8 | 187 | 2.0 | 2.3 |
| Process Manufacturing | 356 | 0.2 | 30 | 0.3 | 0.5 |
| Science, Technical and Other | 937 | 0.5 | 166 | 1.8 | 1.3 |
| TCF and Furnishings | 434 | 0.2 | 231 | 2.5 | 1.0 |
| Utilities | 191 | 0.1 | 22 | 0.2 | 0.1 |
| *Subtotal* | *14,303* | *7.0* | *1,488* | *16.1* | *8.0* |
| **Services** | | | | | |
| Arts, Entertain, Sports & Rec | 329 | 0.2 | 244 | 2.6 | 0.1 |
| Communications | 222 | 0.1 | 87 | 0.9 | 0.9 |
| Community Services, Hth & Ed | 8,937 | 4.3 | 514 | 5.6 | 4.0 |
| Finance, Banking & Insurance | 2,678 | 1.3 | 142 | 1.5 | 3.0 |
| Sales and Personal Service | 2,755 | 1.3 | 657 | 7.1 | 11.7 |
| Transport and Storage | 1,125 | 0.5 | 176 | 1.9 | 6.4 |
| Tourism and Hospitality | 5,980 | 2.9 | 331 | 3.6 | 3.6 |
| *Subtotal* | *22,027* | *10.7* | *2,151* | *23.3* | *29.9* |
| **Business** | | | | | |
| Business and Clerical | 20,130 | 9.8 | 1,461 | 15.8 | 15.2 |
| Computing | 1,050 | 0.5 | 233 | 2.5 | 1.6 |
| *Subtotal* | *21,180* | *10.3* | *1,694* | *18.4* | *16.8* |
| ***Total*** | ***57,515*** | ***28.0*** | ***5,339*** | ***57.8*** | ***54.7*** |

1. This table refers only to activity specifically directed towards operative level workers. It is therefore not comparable with other tables and figures in this report.
2. Activity as a percent of Total Government funded activity *excluding* General Education and Training.
3. Persons employed at operative level in each area as a percentage of total persons employed.

Sources: 1996 Training Profiles; ABS Labour Force Survey data for August 1993, November 1993, February 1994 and May 1994 by ASCO, aggregated using the same groupings as have been applied to course based activity.

THIS PAGE INTENTIONALLY LEFT BLANK

Employment in operative level occupations is projected to grow by 2.4 per cent per annum to the year 2001-02. This level of growth is twice that predicted for tradespersons (1.2 per cent per annum). While there will be some areas of contraction in the employment of operative level workers, areas of particularly high growth for this group include Automotive (4.1 per cent per annum), Community Services, Health and Education (3.8 per cent per annum), Sales and Personal Services (4.3 per cent per annum), Tourism and Hospitality (4.1 per cent per annum) and Computing (3.6 per cent per annum).

Areas of predicted contraction include Food Processing (5.6 per cent per annum), Textile, Clothing and Footwear and Furnishings (2.7 per cent per annum), Engineering (1 per cent per annum), Process Manufacturing (3.4 per cent per annum) and Utilities (6 per cent per annum)[9]. In these areas, training will be needed to assist existing operative workers to adapt to changes in work practice and to move into areas of employment growth. This supports a continuing priority being given to training for operative level occupations.

While these employment projections provide some indication of expected growth in particular occupations, they are based on developments at the time the projections were formulated. If the demand for labour varies because of unanticipated growth in some industries or lower than anticipated growth in other industries, actual growth patterns may vary significantly from forecasts.

## 5.10 Provision in Areas where Access and Equity Target Groups are Concentrated

### Women

***Women will benefit from growth in activity in 1996 but concerns remain.***

As discussed in Chapter 2, women are predominantly employed in the Services industry and particularly in: Education, Health and Community Services and Retail industries. The growth which will be experienced in these areas has the potential to particularly benefit women and to raise female participation in VET. Nevertheless, despite projected activity, growth in publicly funded VET activity in the Sales and Personal Services area will remain extremely low in comparison to the proportion of people employed in this group of occupations.

Given the comparative over representation of women in lower level occupations, a major consideration is the extent to which women in operative level occupations are participating in VET. Comparatively low

[9] Employment projections for operative level workers in total and within training areas were derived by ANTA using information supplied by CoP-SYNTEC. They reflect projected annual employment growth for the period 1993-4 to 2001-2.

levels of training for operative level occupations in the Textile, Clothing and Footwear and Furnishings, Sales and Personal Services, Tourism and Hospitality and Business and Clerical areas, where women are concentrated, are of particular concern in this context.

In other areas, for example Food Processing, a complex range of factors, including gender segregation within the industry and high representation of women from non-English speaking backgrounds, means that participation may not be equitable even when publicly funded provision for the area as a whole is comparable with the proportion of persons employed in the industry.

***Growth priorities include areas that will benefit Aboriginal and Torres Strait Islander people.***

**Aboriginal and Torres Strait Islander People**

As noted in Chapter 3, most States are seeking to increase participation of Aboriginal and Torres Strait Islander people in specific accredited courses. Many of these courses fall in the areas of Community Services, Health and Education and Tourism and Hospitality, which are significant areas of employment for Aboriginal and Torres Strait Islander people and have been identified as major growth priorities.

One cause for concern is the comparatively low rate of growth in General Education and Training. While activity in this area will continue to attract about 18 per cent of total publicly funded activity, it will increase by only 1.8 per cent while total publicly funded activity will increase by 4.2 per cent. Care will need to be taken to ensure that this relatively low rate of growth does not disadvantage Aboriginal and Torres Strait Islander people.

## 5.11 Frontline Management Initiative

***Projects to develop the Frontline Management Initiative have commenced this year.***

As a response to the report *Enterprising Nation*, a national initiative for frontline managers is expected to be made available in all States and Territories from 1996. The Frontline Management Initiative aims to provide access to management training for 80,000 people working in quality committed enterprises over a five year time frame.

The initiative has been developed through several simultaneous projects commissioned by a Reference Group on behalf of ANTA during 1995. These include:

- the development of generic frontline management competencies, based on a comprehensive review of Australian industry and international management standards

- analysis of existing Australian and international good practice management development initiatives and supporting curriculum materials, against competency standards and criteria indicated in

the report including flexible delivery, enterprise relevance and innovative assessment strategies including recognition of prior learning (RPL).

- development of a nationally accredited, innovative and flexible curriculum framework incorporating user choice
- orientation and in-service programs supporting deliverers of the Frontline Management Initiative, and
- national communication and consultation strategies to be undertaken as part of a cohesive market plan. This includes targets for the delivery of the program in 1996 and following years.

***States and Territories have made a commitment to the Frontline Management Initiative for 1996.***

The 1996 Training Profiles show that all States and Territories have made a commitment to the Frontline Management Initiative. A number of States have made specific commitments by identifying the number of contact hours which will be targeted towards such activities in 1996. Programs will be designed to meet enterprise needs. It is not intended that all programs under this initiative will be publicly funded.

The commitment of States/Territories to meeting the needs identified in this report is also reflected in the allocation of growth activity for 1996. Training for professionals/para-professionals in the Business and Clerical area alone will receive 2.6 per cent of growth activity in 1996. This allocation will provide for an increase by 261,000 hours to a total of 18,048,000 hours.

## 5.12 Entry Level Training

This area of vocational education and training includes those people placed as trainees under the Australian Traineeship System (ATS), Career Start Traineeships, and the Australian Vocational Training System (AVTS) and those placed in occupations which have traditionally been entered via an apprenticeship. It also includes traineeships created as a result of *Working Nation* white paper.

***Traineeships and Apprenticeships remain important sources of entry level training.***

As explained in Chapter 3 States and Territories have agreed on a timetable to translate most existing training arrangements to the AVTS format. Consequently, there will be some variation of apprentice and trainee numbers over the planning period as conversions are made to AVTS and the traditional distinction between various modes of training becomes less obvious.

From January 1994, States and Territories assumed responsibility for the funding of the off the job training component of traineeships and for monitoring training activity wherever it occurs.

The 1996 Training Profiles provide indications of traineeship commencements expected in 1995 and 1996. These have been set by States and Territories at levels which are consistent with their view on the extent of industry provision of suitable jobs, which is the most critical constraint on the expansion of training places in the system.

***For 1996 most States/Territories will approach* Working Nation *targets.***

The Commonwealth's *Working Nation* paper in 1994 also announced further targets for apprentices and trainees and provided for additional funding to be made available for those States and Territories which exceeded their expected base trainee levels. The 1996 Training Profiles show that all States and Territories will meet the national targets announced in *Working Nation*.

The following table shows the total trainee and apprentice commencements projected in the Profiles, as measured against national targets.

**Table 5.12: Apprentice and Trainee Commencements compared with National Targets**

| | Apprentices | | Trainees[1] | |
|---|---|---|---|---|
| | Projection | Target[2] | Projection | Target[3] |
| 1995 | 47,613 | 56,500 | 22,484 | 30,800 |
| 1996 | 46,695 | - | 36,622 | 36,000 |
| 1997 | 44,870 | - | 40,895 | 36,000 |

1. Trainee commencements reported in 1996 Training Profiles include those under the Australian Traineeship System (ATS), Career Start Traineeships (CST), National Training Wage (NTW) and the Australian Vocational Training System (AVTS)
2. Apprentice targets are derived from *Working Nation*, which did not provide for apprentice targets for 1996/97
3. Trainee targets for 1995-1997 were derived from *Working Nation*

## 5.13 Interstate Co-operative Activities

The Interstate Co-operative Program enters its third year of operation in 1996. The program's main objective is to help advance the national identity of the VET system through the development of co-operative links between State and Territory systems, supporting projects which focus on the delivery of additional student places.

***The Interstate Co-operative Program has assisted in strengthening links between State and Territory systems.***

To date the program has had a number of major successes in promoting a more integrated national VET system through the exchange of facilities and equipment, curriculum, learning resources and teaching expertise. Other important outcomes have been:

- less duplication of resources
- the development of high quality learning materials and innovative flexible delivery strategies
- meeting the training needs of special groups (in particular Aboriginal and Torres Strait Islander people, people in remote locations and operative level workers), and
- boosting industry confidence in the responsiveness of the VET sector to industry's training needs.

***The Program focuses on the innovative delivery of new student places.***

**The 1995 Program**

From the $10m in growth funds available to the Program, the Ministerial Council agreed to direct $4m in 1995 towards initiatives which would develop a national focus for flexible delivery. Most projects approved in this component are aimed at expanding services to be offered through Education Network Australia (EdNA). The remaining $6m supports the delivery of over 0.5m student contact hours (the equivalent of more than 1,550 new student places) across 16 projects in all States and Territories.

***1995 projects include the delivery of training at the operative level through partnerships with industry and in remote localities.***

The Victorian managed Food Industry Training Project is an important example of the benefits which can result from both interstate co-operation and partnership with industry. Since 1994, over 2,000 operator level workers in a range of companies in North East Victoria and Southern New South Wales, have accessed training in the National Certificate in Food Processing.

This involved customised curriculum, flexible delivery strategies to suit different enterprises, recognition of prior learning, literacy support and an advisory service to both trainees and company training managers.

**The 1996 Program**

A priority for the 1996 Program is to build on the achievements of projects which operated in 1995, by placing an increased emphasis on:

- flexible delivery arrangements
- remote area delivery, particularly in Aboriginal education
- partnerships with industry

- operator level training
- linkages with aspects of the *National Strategy*, and
- delivery of accredited training at the workplace.

It is expected that a number of successful projects, which were established in 1994 and 1995, will continue to be funded through the program, and a range of new projects focussing on the priorities outlined above, will commence operation in 1996. In addition, a number of successful projects will be funded from mainstream State allocations in 1996.

## 5.14 Language, Literacy and Numeracy

The *National Strategy* identifies a number of initiatives to assist priority client groups, including people without social and functional English language, literacy and numeracy skills.

ANTA distributes $7m of Commonwealth funds under the Recurrent Literacy program. States and Territories report training delivery and other literacy initiatives purchased with these funds.

***Language, literacy and numeracy competence will be progressively incorporated into competency standards and curriculum.***

Initiatives to improve language, literacy and numeracy outcomes in the VET sector include development of a National Reporting System which will aid the development of standards and training programs and the reporting of an individual's competence in language, literacy and numeracy. Another priority is for language, literacy and numeracy competence to be incorporated into competency standards development requirements. These priorities will be supported through the availability of $2.1m of National Project funds in 1996 for initiatives in line with the *National Strategy*.

States and Territories are active in implementing adult, language and literacy initiatives through their National Collaborative Adult English Language and Literacy Strategy State Implementation Plans.

***State Implementation groups will implement the nationally agreed strategy.***

The 1996 Training Profiles outline initiatives to:

- incorporate language, literacy and numeracy competencies into curriculum
- implement the National Reporting System, and
- develop training programs which are tailored to the needs of particular industries and client groups.

## 5.15 Adult and Community Education (ACE)

***The ACE sector both complements and contributes directly to the VET sector.***

The ACE sector plays many important roles in the provision of education. It encourages many adults, particularly women, into mainstream education and training who otherwise would not have participated. ACE also provides vocational education and training in its own right, and complements training provided by public, private and enterprise providers. Survey data indicate that about 70 per cent of people undertaking ACE courses expect them to assist with employment. The importance of ACE was recognised by Commonwealth, State and Territory Ministers, by incorporating the ACE sector under the ANTA Agreement. The ACE sector has a clear set of principles to follow, as outlined in the *ACE National Policy*. [10]

1996 Training Profiles indicate that over 12.6m hours of ACE activity will take place in 1996 and this provision is expected to grow in 1997 and 1998. A growing proportion of this activity is accredited training. Government funded VET activity delivered by ACE providers is included within the main activity tables within the Profiles.

Priorities for the ACE sector outlined in 1996 Training Profiles are in accordance with the *ACE National Policy* and include:

- an expansion of provision
- a focus on flexible delivery
- development of courses designed to accommodate target groups, and
- enhancement of learning pathways.

## 5.16 National Projects

***National Projects will be funded under broad stream in 1996.***

All States and Territories have made a commitment to the further development of systems and approaches to vocational education and training on a national basis. This commitment will be demonstrated in 1996 through a variety of National Projects, to be managed by States, Territories, ANTA and the Commonwealth on behalf of the national system.

Funding for National Projects is provided through the Commonwealth *Vocational Education and Training Funding Act, 1992*. In 1996, $42.3m has been nominally allocated for National Projects. This compares with funding of $34.5m in 1995 and $25m in 1994.

---

[10] ACE National Policy, Endorsed by Commonwealth, State and Territory Ministers, December 1993

A revised approach to the management of National Projects will be undertaken in 1996. A major feature of the new approach involves the development of a three year strategic plan for National Projects. Another feature of the revised approach is for National Projects to be funded under broad streams relating to the following categories of outcomes for the VET system:

- provider development
- NVETS development
- research and evaluation
- communication and marketing, and
- training market development.

## 5.17 Infrastructure Developments

### Infrastructure

*The total Commonwealth capital investment for 1996 is $232.664m (including $5m for Skill Centres under the National Skill Centre Program).*

The functions of the Authority involve two separate elements through which Commonwealth funds are provided to assist in the construction or refurbishment, fitting out and equipping of training facilities. These two elements are:

- the Infrastructure Program funded under the Vocational Education and Training Funding Act. Funding available for 1996 is expected to be $227.644m, which is made up of the following:
  - Major building projects and equipment, $207.644m
  - Child Care Centres, $3m
  - Skill Centres, $12m
  - Aboriginal and Torres Strait Islander Facilities, $5m, and
- the Skill Centre element of National Program funds. Funding available for 1995-96 is $5m.

The Capital Development Plans which form part of the State Training Profiles, link proposed capital developments to strategic plans and national and State/Territory priorities.

Ministers agreed that in relation to maintenance of effort, capital expenditure would be examined separately from recurrent expenditure with the objective of maintaining an appropriate share of capital investment between the two levels of government.

Accordingly, the Authority recommends that, in the same way that a judgement is made in relation to recurrent funds, a judgement be made in relation to whether appropriate shares in investment in capital have been maintained taking into account the following:

- the historical level of contribution from States/Territories and the Commonwealth
- the proposed contributions for each year
- the needs of each State/Territory each year for capital funds
- a five year average expenditure on capital if necessary.

For 1996, based on these criteria and the figures available, all States/Territories are considered to have maintained their historical levels of investment and thus appropriate shares have been maintained.

**Major Capital Projects**

***There is evidence of an increasing shift towards refurbishment of existing facilities with most States and Territories including flexible learning facilities.***

New major capital projects proposed by States and Territories cover a wide range of facilities, including projects spread across metropolitan areas, major provincial centres and rural areas. As well as providing significant increases to the number of general teaching facilities, they also include accommodation for specialised learning activities, learning resource centres and a range of student amenities. The majority of these new facilities are for the TAFE system. However, there are a number of joint venture facilities between TAFE and industry and between TAFE, universities and schools.

There is an ever increasing shift towards the refurbishment of existing facilities rather than the more traditional "build" option. This is evident in both the 1995 and 1996 programs as approximately 27 per cent of the projects, which are either presently under construction, or due to commence construction in 1996, are for the refurbishment of existing facilities.

There is a continuing emphasis on additional facilities for computing, business studies and hospitality courses across the system as well as for learning resource centres linked to flexible delivery. A number of States/Territories have included Flexible Learning Centre projects in their 1996 capital program. These centres will allow people in remote areas of Australia to gain access to vocational education and training through the provision of communication networking by various levels of technology including computer access and video conferencing.

*A database is being established to assist in the analysis of major capital works projects.*

As part of the Authority's monitoring of the Infrastructure Program, a database is being established which contains details of all major capital works projects undertaken since 1994. This will enable an analysis of all major projects and comparison of such benchmarks as relative costs of projects and student places and areas being provided per student place.

The opportunity has not previously existed for such analysis of capital projects. While there remain some definitional issues to be resolved and business rules to be developed before meaningful comparisons can be made, this analysis is essential for the effective monitoring of the capital program.

Ministers may wish to be advised of the Authority's continuing work on the analysis of major capital projects and seek reports during 1996 on the outcomes.

**Child Care Centres**

*A further $3m will be allocated in 1996 from Infrastructure funding for the refurbishment or construction of Child Care Centres.*

The Child Care Centre component of the infrastructure program is to continue at the present level of funding of $3m per annum. This funding is for the provision of new or refurbished Child Care Centres for TAFE Colleges. This program provides additional child care places in order to allow people to gain access to VET facilities and opportunities for further training to re-enter the workforce. Since its introduction in 1989, this program has created almost 2,000 additional places in 52 centres across Australia.

**Skill Centres**

Assistance under this component is provided to industry for the establishment of industry and enterprise based training facilities as part of the expansion of the training market. A key feature of the Skill Centre component is the long lead time necessary to develop proposals. While the Program has had a very slow start. The advice received from States/Territories suggests that the number of new proposals will increase rapidly in the latter part of 1995 and into 1996.

***To fund the construction of Skills Centres, $12m will be allocated from Infrastructure funding in 1996 and $5m from the National Skill Centre Program funds in 1995-96.***

***A total of $15m will be provided over three years for training facilities for Aboriginal and Torres Strait Islander people.***

Due to long lead times in developing most projects, it is estimated that the total allocation of $7m for 1995 will not be able to be used for Skill Centre approvals in 1995. Consequently $5m will be reallocated to other major capital projects within the broader Infrastructure Program.

In view of the number of proposals under development, it is proposed that, within the allocation for the 1996 Infrastructure Program, $12m will be set aside for Skill Centre development.

**Aboriginal and Torres Strait Islander Facilities**

A total of $15m will be provided from the Infrastructure Program over the period 1996-1998 for capital investment in training facilities for Aboriginal and Torres Strait Islander people.

The principal objective of this initiative is to provide capital funds for additional or improved vocational education and training facilities for training for Aboriginal and Torres Strait Islander people. This will provide them with increased access to accredited vocational education and training courses.

It is the Commonwealth's intention in requesting this initiative that in particular, these funds will be made available to institutions which are independently managed, and will enable them to respond more effectively to the needs of Aboriginal and Torres Strait Islander communities.

An information paper on this initiative has been distributed to States/Territories. As with other elements of the Infrastructure Program, it is proposed that the major responsibility for the development of proposals will rest with State/Territory Training Authorities. It is expected that after consultations with Aboriginal and Torres Strait Islander communities and prospective applicants, submissions will be developed to access these funds.

While no indication is available at this time as to the number or size of proposals, it is proposed that $5m be earmarked for expenditure during 1996.

# 6. Funding Arrangements

## 6.1 Arrangements for 1996 and Allocation of Recurrent Funds

***Commonwealth growth funds continue to be allocated to State/Territories on the basis of population shares.***

The Ministerial Council in May 1995 was advised on the outcomes of the Commonwealth Budget, as it related to NVETS arrangements and Profile planning for 1996. This advice included the Commonwealth's confirmation of $70m in growth funds for 1996 and an announcement of a further $70m to be made available in 1997.

Ministers agreed that it would be appropriate for States and Territories to plan for the $70m available in growth funds for 1996 to be allocated by ANTA on the basis of population shares.

The recommended allocation of recurrent funds, which is in accordance with this decision, is set out in Table 6.1.

## 6.2 Approval of Profiles

The Training Profiles presented by New South Wales, South Australia, Western Australia, Tasmania, the Northern Territory and the Australian Capital Territory are recommended for approval without conditions. Appendix A sets out the maintenance of effort and other factors on which these recommendations are made. Subject to Ministerial Council approval, growth funds for these States/Territories will flow in accordance with agreed arrangements.

The Profile for Queensland is recommended for approval in principle subject to satisfactory audit reports for 1994 and their implications being incorporated into its Profile for subsequent years.

The Profile for Victoria is recommended subject to conditions. The details are provided in Appendix A.

***Recognition of Prior Learning is not reported consistently.***

It is evident that some States have been including activity associated with the Recognition of Prior Learning (RPL) in their planned activity estimates, while others specifically exclude it. The Authority recognises that this activity is desirable and wishes to encourage it, but takes the view that because RPL does not result in contact hours of delivery, it should not therefore be counted towards delivery targets. Ministers may wish to request the Authority to progress the development of a method for counting RPL and adjusting for RPL in activity maintenance of effort calculations during 1996.

## 6.3 Allocation of Infrastructure Funds for 1996

*Infrastructure funding allocations for each State and Territory for 1996 are set out in Table 7.2.*

Following previous decisions of the Ministerial Council, it is proposed that the same real level of funding be allocated by ANTA for expenditure of a capital nature in 1996. Thus, the level of funding available under the Infrastructure Program in 1996 is expected to be $227.644m.

The proposed 1996 infrastructure funding allocations for each State/Territory are set out in Table 7.2.

Variations may need to be made in early 1996 to take account of the final payments for existing 1995 projects.

The distribution of funds for child care projects, skill centre projects and Aboriginal and Torres Strait Islander capital projects will be finalised after discussions with the Commonwealth and States and Territories.

Due to the nature of capital programs and changes in priorities and processes by which Capital Development Plans have been prepared, it is likely that during the year some States and Territories may find it necessary to seek an amendment to their Capital Development Plans. As with the process agreed in previous years, provided such changes are consistent with the overall Profile directions, it is proposed that adjustments be approved by the Authority.

## 6.4 Future Directions in Funding

*The development of unit costs will improve the ability of the VET system to assess the financial impact of shifts in activity.*

In recent years there has been a lack of information on the financial costs of various areas of VET activity. As a result, the Ministerial Council directed that a Unit Costs Working Party be established to develop unit costs for the purposes of performance reporting and resource allocation through the profiles planning process.

## 6.5 Total Funding Outcomes for 1996

Total State, Territory and Commonwealth expenditure on vocational education and training under the NVETS Agreement in 1996 is estimated at $2,793m. Details are provide in Table 6.1.

## Table 6.1: Summary of Planned Expenditure for 1996 ($'000)

| | State Funds | C'wealth Base Funds | C'wealth Growth Funds | Total |
|---|---|---|---|---|
| **Recurrent:** | | | | |
| New South Wales | 737,288 | 172,877 | 23,536 | 933,701 |
| Victoria | 384,260 | 123,151 | 17,403 | 524,814 |
| Queensland | 256,299 | 81,166 | 12,866 | 350,331 |
| South Australia | 132,724 | 40,454 | 5,605 | 178,783 |
| Western Australia | 175,498 | 46,172 | 6,828 | 228,498 |
| Tasmania | 43,387 | 14,762 | 1,777 | 59,926 |
| Northern Territory | 44,006 | 5,670 | 712 | 50,388 |
| Australian Capital Territory | 43,975 | 10,317 | 1,273 | 55,565 |
| National Projects | | 42,295 | | 42,295 |
| Interstate Co-operative Projects | | 10,000 | | 10,000 |
| Publication of TAFE Statistics | | 212 | | 212 |
| *Total Recurrent* | *1,817,437* | *547,077* | *70,000* | *2,434,514* |
| **Capital:** | | | | |
| New South Wales | 55,702 | 73,084 | | 128,786 |
| Victoria | 28,340 | 52,730 | | 81,070 |
| Queensland | 21,401 | 34,670 | | 56,071 |
| South Australia | 9,100 | 16,600 | | 25,700 |
| Western Australia | 9,652 | 18,455 | | 28,107 |
| Tasmania | 3,683 | 5,005 | | 8,688 |
| Northern Territory | 164 | 3,900 | | 4,064 |
| Australian Capital Territory | 2,750 | 3,200 | | 5,950 |
| Child Care | | 3,000 | | 3,000 |
| Skill Centres | | 12,000 | | 12,000 |
| Aboriginal and Torres Strait Islander Capital Projects | | 5,000 | | 5,000 |
| *Total Capital* | *130,792* | *227,644* | | *358,436* |
| ***Total*** | ***1,948,229*** | ***774,721*** | ***70,000*** | ***2,792,950*** |

Notes: Funds for additional training places funded through *Working Nation* are not included.
State/Territory recurrent expenditure is drawn from maintenance of effort estimates.
State/Territory capital expenditure is drawn from Capital Development Plans.
These figures exclude adjustments to be made in 1996 for movements in relevant price indices.
Columns may not sum to totals due to rounding.

# 7. Recommendations

## 7.1 The Authority's Recommendations

The Authority recommends the Ministerial Council:

**1996 Training Profiles**

(i) approves the Training Profiles presented by New South Wales, South Australia, Western Australia, Tasmania, the Northern Territory and the Australian Capital Territory in respect of 1996.

(ii) approves the Training Profiles presented by Queensland and Victoria in respect of 1996 subject to conditions detailed in Appendix A.

(iii) requests the Authority to progress the development of a method of counting Recognition of Prior Learning (RPL) in analysing Maintenance of Effort.

(iv) notes that in the context of the 1997 Profiles, the Authority intends to develop its analysis of comparative effort with a view to advising the Ministerial Council where certain States may need to lift levels of activity in accordance with the NVETS Agreement.

**Recurrent Funding for States and Territories**

(v) approves the allocation of recurrent funding for 1996 set out in Table 7.1 subject to conditions set out in Appendix A for Victoria and Queensland.

**Infrastructure Funding**

(vi) agrees that in relation to maintaining appropriate shares in capital investment between the two levels of government, a judgement be made taking into account:

- the historical levels of contribution from States/Territories and the Commonwealth
- the proposed contributions for each year
- the needs of each State/Territory each year for capital funds, and
- a five year average expenditure on capital, if necessary.

(vii) approves the indicative allocations for infrastructure funds for 1996 set out in Table 7.2, noting that an appropriate share of capital investment has been maintained between the two levels of government.

(viii) authorises the Authority, after consultations with the States/Territories, to approve Capital Development Plans (CDPs) for 1996 in keeping with the indicative allocations in Table 7.2.

(ix) authorises the Authority, after consultations with the States/Territories, to make variations to the project allocations in the CDPs when actual expenditures in 1995 on current projects are known.

(x) authorises the Authority to determine, after consultations with the States/Territories, allocations for Skill Centres, Child Care Centres and Aboriginal & Torres Strait Islander Facilities.

(xi) authorises the Authority to decide on requests from States/Territories to change Capital Development Plans during 1996, provided the changes are consistent with the overall directions of the Training Profile as agreed by Ministers, having considered forward obligation approvals.

(xii) requests the Authority to provide advice on its continuing work on the analysis of major capital works.

**Interstate Co-operative Projects**

(xiii) authorises the Authority, after consultations with the Commonwealth and States/Territories, to allocate funds for Interstate Co-operative Projects and to report decisions to Ministers.

## 7.2 Resolutions of the Ministerial Council

The resolutions agreed by the Ministerial Council are not identical to the Authority's recommendations. At their meeting of 10 November 1995, Ministers:

**1996 Training Profiles**

(i) approved the following arrangements, subject to ANTA's advice that appropriate data sets as required for the Annual National Report are available and reliable.

(ii) approved the Training Profiles presented by New South Wales, Western Australia, Tasmania, the Northern Territory and the Australian Capital Territory in respect of 1996.

(iii) approved the Training Profile presented by Queensland in respect of 1996, subject to the conditions detailed in Appendix A.

(iv) approved the Training Profile presented by Victoria in respect of 1996, subject to:

(a) 1996 growth funds being available on the condition that the overall target for 1996 is adjusted to rebase on the level of activity Victoria achieved in 1994

(b) consequent adjustments to activity tables being settled between Victoria and ANTA

(c) an appropriate reduction to the base level for recognition of prior learning (RPL) being settled between Victoria and ANTA

(d) Victoria's commitment to maintain the provision of the levels and quality of VET with progress on that provision reported to ANTA by 31 March and 30 June 1996, and

(e) on the basis of that reporting, ANTA recommend appropriate action, if ANTA deems that necessary, to the Ministerial Council.

(v) approved the Training Profile presented by South Australia in respect of 1996, subject to:

(a) South Australia's commitment to maintain the provision of the levels and quality of VET with progress on that provision reported to ANTA by 31 March and 30 June 1996, and

(b) that on the basis of that reporting, ANTA recommend appropriate action, if ANTA deems that necessary, to the Ministerial Council.

(vi) requested the Authority, in consultation with the parties to the Agreement, to progress the development of a method of counting Recognition of Prior Learning (RPL) and Credit Transfer in analysing Maintenance of Effort.

(vii) noted that in the context of the 1997 Profiles, the Authority intends to develop, in consultation with the parties to the Agreement, its analysis of comparative effort with a view to advising the Ministerial Council where certain States may need to lift levels of activity in accordance with the NVETS Agreement.

**Recurrent Funding for States and Territories**

(viii) approved the allocation of recurrent funding for 1996 set out in Table 7.1 of the Report, subject to conditions set out in (i), (iii), (iv) and (v) above.

**Infrastructure Funding**

(ix) noting Ministerial Council decision 5.2 (v) of 18 August 1995 concerning the definition of capital, agreed that in relation to maintaining appropriate shares in capital investment between the two levels of government, a judgement be made taking into account:

(a) the historical levels of contribution from States/ Territories and the Commonwealth

(b) the proposed contributions for each year

(c) the needs of each State/Territory each year for capital funds, and

(d) a five year average expenditure on capital, if necessary.

(x) approved the indicative allocations for infrastructure funds for 1996 set out in Table 7.2 of the Report, noting that an appropriate share of capital investment has been maintained between the two levels of government.

(xi) authorised the Authority, after consultations with the States/Territories, to approve Capital Development Plans (CDPs) for 1996 in keeping with the indicative allocations in Table 7.2 of the Report.

(xii) authorised the Authority, after consultations with the States/Territories, to make variations to the project allocations in the CDPs when actual expenditures in 1995 on current projects are known.

(xiii) authorised the Authority to determine, after consultations with the States/Territories, allocations for Skill Centres, Child Care Centres and Aboriginal & Torres Strait Islander Facilities.

(xiv) authorised the Authority to decide on requests from States/Territories to change Capital Development Plans during 1996, provided the changes are consistent with the overall directions of the Training Profile as agreed by Ministers, having considered forward obligation approvals.

(xv) requested the Authority to provide advice on its continuing work on the analysis of major capital works.

**Interstate Co-operative Projects**

(xvi) authorised the Authority, after consultations with the Commonwealth and States/Territories, to allocate funds for Interstate Co-operative Projects and to report decisions to Ministers.

**Other**

(xvii) agreed that a paper will be circulated out-of-session on the impact of "Working Nation" Initiatives on vocational training.

(xviii) noted that the Commonwealth and the NT are to have discussions on skills shortages issues in the NT, and

(xix) asked the Authority to provide the Council with progress in May 1996 on measures to improve the participation in vocational education and training of individual client groups.

## Table 7.1: Allocation of Commonwealth Recurrent Funding for 1996[1] ($)

| | Base Recurrent | Recurrent Literacy | 1996 Growth Funding | Total Recurrent |
|---|---|---|---|---|
| New South Wales | 170,501,695 | 2,375,461 | 23,536,440 | 196,413,596 |
| Victoria | 121,343,592 | 1,807,714 | 17,402,839 | 140,554,145 |
| Queensland | 79,982,130 | 1,184,013 | 12,865,925 | 94,032,068 |
| South Australia | 39,865,303 | 588,485 | 5,605,337 | 46,059,125 |
| Western Australia | 45,499,180 | 672,611 | 6,827,681 | 52,999,472 |
| Tasmania | 14,579,931 | 182,336 | 1,776,799 | 16,539,066 |
| Northern Territory | 5,606,814 | 63,387 | 712,440 | 6,382,641 |
| Australian Capital Territory | 10,191,355 | 125,993 | 1,272,539 | 11,589,887 |
| National Projects[2] | 42,295,000 | | | 42,295,000 |
| Interstate Co-operative Projects[3] | 10,000,000 | | | 10,000,000 |
| Publication of TAFE Statistics | 212,000 | | | 212,000 |
| ***Total*** | ***540,077,000*** | ***7,000,000*** | ***70,000,000*** | ***617,077,000*** |

1. Expenditure for recurrent purposes from funds provided under the *Vocational Education and Training Act, 1992*. The above allocation to States/Territories is based on resource allocation principles endorsed at the Ministerial Council meeting of May 1995. Funding is subject to supplementation for movements in relevant cost indices. Additional traineeship funding announced in *Working Nation* is not included as these funds can only be accessed by States and Territories once the Commonwealth Minister is satisfied there has been an increase in the number of people receiving training in a State/Territory under the Australian Traineeship System or under Career Start Traineeships. ATS Transitional funding was provided in the calendar years 1994 and 1995 only.

2. National Project funding will be allocated on the basis of arrangements agreed by Ministers.

3. Interstate Co-operative Project funds will be allocated on the basis of submissions by States/Territories.

**Table 7.2: Allocation of Commonwealth Infrastructure Funding for 1996 ($m)**

| | Buildings | Equipment | Total |
|---|---|---|---|
| New South Wales | 63.000 | 10.084 | 73.084 |
| Victoria | 44.920 | 7.810 | 52.730 |
| Queensland | 29.981 | 4.689 | 34.670 |
| South Australia | 14.840 | 1.760 | 16.600 |
| Western Australia | 15.435 | 3.020 | 18.455 |
| Tasmania | 4.035 | 0.970 | 5.005 |
| Northern Territory | 3.417 | 0.483 | 3.900 |
| Australian Capital Territory | 2.700 | 0.500 | 3.200 |
| Child Care Centres | | | 3.000 |
| Skill Centres | | | 12.000 |
| Aboriginal and Torres Strait Islander Facilities | | | 5.000 |
| ***Total*** | ***178.328*** | ***29.316*** | ***227.644*** |

Notes: The total allocations for States/Territories reflect payments made during 1995 for the reallocation of Skill Centres funds, with a commensurate reduction in 1996 allocations. This is explained in Section 5.17.

Variations between the Buildings and Equipment components within the total State/Territory allocations may occur.

# Appendix A: Maintenance of Effort

## A.1 Introduction

*States and Territories are committed to maintaining their own effort. Whether effort is maintained is a matter of judgement.*

Growth funds for the VET system have been provided by the Commonwealth under the NVETS Agreement. The schedule to the ANTA Act provides that, "States will at least maintain their effort for vocational education and training on an ongoing basis."

Whether a State or Territory is deemed to have maintained effort is a matter of judgement determined by the Ministerial Council following advice from the ANTA Board. This judgement is made after consideration of agreed measures together with supplementary information.

## A.2 Summary of Maintenance of Effort Arrangements

A summary of the maintenance of effort position of all States and Territories follows after technical notes on the measures.

## A.3 Technical Notes

### General

In 1994 the Maintenance of Effort Working Party recommended, and Ministers agreed, that 1994 form the base year from which to set targets for all maintenance of effort measures. The Authority believes that the decision to rebase maintenance of effort measures to 1994 was intended to provide a consistent and verifiable foundation for future years, and, as such, the base applies to all measures and to *actual* levels achieved rather than *planned* levels of funding or activity.

### Financial Measures

In 1994, Ministers agreed that a review of the scope and boundary applying to the measurement of maintenance of effort be undertaken in 1995. The review was undertaken by ANTA in consultation with States, Territories and the Commonwealth.

*From 1996, there will be changes to the scope and boundary for recurrent expenditure.*

Changes to the scope and boundary for recurrent expenditure have been made in order to provide a more complete definition of VET, and to enable the use of the proposed National Financial Reporting Framework for VET, for financial maintenance of effort purposes from 1997. In accordance with the new Framework, from 1997, reports will be provided on an accrual accounting basis.

The following changes will be made to the scope and boundary for reporting of expenditure:

- State payroll taxes will be excluded from 1996
- VET system support costs incurred by any State/Territory government body will be included within accrual accounting reports from 1997
- grants and subsidies in relation to apprentices and trainees will be considered for inclusion on a case by case basis, and
- maintenance and leasing expenditure will be classed as recurrent expenditure from 1996.

***Capital expenditure will be examined differently, in terms of appropriate shares between the Commonwealth and States and Territories.***

The inclusion of capital expenditure in the scope and boundary for the financial measure is to be discontinued as an alternative approach to the treatment of capital expenditure has been developed. This approach is outlined in Section 5.17.

No State or Territory should be disadvantaged in relation to access to growth funds as a result of the changed arrangements and consequently, financial maintenance of effort for 1996 is being examined under the two methods, that of recurrent expenditure plus a five year capital average, and that of recurrent expenditure alone.

The indexation process adopted for recurrent expenditure is consistent with the approach used for total expenditure. For total expenditure a salary to non-salary split of 70:30 has been used, as first used in *Directions and Resource Allocations for 1994*. For recurrent expenditure alone, a salary to non-salary split of 75:25 has been used. The ratio is obtained when the capital expenditure proportion of total State/Territory expenditure is deducted from the non-wage component.

***Capital will continue to be averaged over five years in expenditure calculations if necessary.***

Capital expenditure is subject to natural fluctuations from year to year. So that these fluctuations do not affect maintenance of effort calculations, the Authority will again adopt a five year average figure for capital expenditure in 1996. Nominal capital expenditure is converted to real terms by means of the State/Territory Gross Fixed Capital Indexes - General Government.

In order to demonstrate that real financial effort is maintained, expenditure targets are indexed from one year to the next. The approach adopted in the setting of targets is to use the non-farm Gross Domestic Product (GDP) deflator and actual non-productivity related wage increases as the index. In 1995 the non-farm GDP index is projected to be 1.5 per cent and in 1996, 3.5 per cent. This approach is the same as has been adopted for the past two years.

**Non-financial Measures**

*The scope and boundary for non financial measures takes into account all government funded activity under the NVETS Agreement.*

For practical reasons, the scope and boundary to apply to the non financial measures is broader than for the financial measures. Training effort arising from State/Territory sourced funds cannot be isolated from effort resulting from Commonwealth sourced funds. In addition, a specific listing of activity inclusions and exclusions for the non financial scope and boundary has been developed. Included is activity in Streams 2000 to 4500 provided by:

- TAFE
- community providers who are funded for the provision of such courses, and
- private providers receiving government assistance under training market development initiatives.

Specifically excluded are:

- Stream 1000 provision
- Labour market, Department of Immigration and Ethnic Affairs and other special purpose government funded courses, and
- overseas students and other activities conducted on a cost recovery basis.

*1995 activity estimates and targets have been revised on the basis of the agreed scope and boundary.*

The required scope and boundary is different from that previously used by most States/Territories in one way. Activity related to traineeships is included in total government funded activity whereas previously most States and Territories had included this activity in the fee for service or cost recovery category.

The targets and State/Territory estimates for 1995 have also been revised on the basis of the consistent scope and boundary. A change of activity measure from students to enrolments was requested to bring the information in the Profile activity tables in line with the agreed measures for analysis of maintenance of effort.

*1994 activity targets have been rebased as data systems have improved.*

In the 1994 Profiles, VET activity targets were set in terms of annual student contact hours and students. From a maintenance of effort perspective however, only the former measure was considered. At the time the 1995 Profiles were prepared some States and Territories provided 'rebased' 1994 estimates because they had improved their data systems and excluded, from the original target, activity which was outside the NVETS Agreement. In the case of other States/Territories such a rebasing has occurred subsequent to the 1995 Training Profiles to reflect various improvements to their statistical systems and the

introduction of the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS).

***Audit reports have been received on 1994 activity and annual hours curriculum have been fully analysed.***

The Authority has audit reports for all States and Territories, except Queensland, on levels of activity in 1994. These reports take into account any rebasing that has occurred. Of the three non-financial measures of maintenance of effort, the student contact hour measure has been fully analysed and the results are included in this report. They are discussed in terms of annual hours curriculum (AHC) as per the AVETMISS definition.

Base levels for the module load completion rate measure have also been established but these data are not presented in this report because there are no other data to compare them with. They will be compared with data for 1995 when these are reported in 1996 and information on this measure will be presented in next year's report.

***Enrolments have not been reported consistently and further work is proposed.***

At this stage it has not been possible to establish a 1994 base for enrolments and thus 1995 targets consistent with the agreed definition for maintenance of effort purposes. The independent auditors appointed to verify government funded activity for 1994 have identified the need for reporting guidelines and systemic improvements in relation to enrolments. At present States and Territories vary in enrolment practices some counting numbers of clients enrolled, some counting clients once for each of a number of enrolments and some using a combination of these practices. Further work will be undertaken by the Authority in consultation with the States and Territories on this matter to ensure that data on enrolments are consistent with the agreed definition for maintenance of effort purposes. Enrolment figures provided in this report are limited to those estimates for 1995 and 1996 provided in the 1996 Training Profiles.

## A.4 NEW SOUTH WALES

### 1994 Maintenance of Effort

*New South Wales maintained effort in 1994.*

| | *Expenditure ($m)* |
|---|---|
| 1992 Base | 709.79 |
| 1994 Target | 714.71 |
| 1994 Actual | 744.62 |

| | *AHC ('000)* |
|---|---|
| 1994 Target | 91,005 |
| 1994 Reported | 91,005 |

Notes: Activity as per 1994 Profile scope, that is, trainees excluded.

### 1995 Maintenance of Effort

*New South Wales is expected to maintain effort in 1995.*

| | *Expenditure ($m)* | *AHC ('000)* | *Enrolments* |
|---|---|---|---|
| 1994 Base | 744.62 | 92,640 | ** |
| 1995 Target | 768.51 | 95,801 | ** |
| 1995 Estimate | 769.57 | 96,028 | 369,963 |

Notes: 1994 activity base as per agreed scope and boundary with the exception of excluding non-TAFE trainees

### 1996 Maintenance of Effort

*New South Wales is expected to maintain effort in 1996.*

| | *Expenditure ($m) Recurrent and Capital* | *Expenditure ($m) Recurrent Only* |
|---|---|---|
| 1994 Base | 744.62 | 685.08 |
| 1996 Target | 791.31 | 729.11 |
| 1996 Estimate | 792.46 | 737.29 |

| | *AHC ('000)* | *Enrolments* |
|---|---|---|
| 1996 Target | 95,801 | ** |
| 1996 Estimate Less C'wth Growth | 96,028 | 370,177 |

Notes: Activity excludes non-TAFE trainees
The 1996 AHC estimate includes a current projected estimate of 3.388 million AHC growth funded activity for 1995. If the projected estimate is not met , the 1996 base will need to be revised.

New South Wales is expected to maintain financial effort in terms of recurrent expenditure in 1996. New South Wales is also expected to maintain effort in activity terms.

*New South has satisfied conditions for receipt of 1996 growth funds.*

**Recommendation**

The Authority considers that New South Wales is maintaining and will continue to maintain effort. The Authority recommends 1996 growth funds be provided to New South Wales.

## A.5 VICTORIA

### 1994 Maintenance of Effort

*Victoria maintained effort in 1994.*

| | *Expenditure ($m)* |
|---|---|
| 1992 Base | 389.63 |
| 1994 Target | 400.23 |
| 1994 Actual | 401.70 |

| | *AHC ('000)* |
|---|---|
| 1994 Target | 57,574 |
| 1994 Reported | 60,063 |

Notes: 1994 Activity as per 1994 Profile Scope

### 1995 Maintenance of Effort

*Victoria is not expected to maintain financial effort in 1995.*

| | *Expenditure ($m)* | *AHC ('000)* | *Enrolments* |
|---|---|---|---|
| 1994 Base | 401.70 | ** | ** |
| 1995 Target | 408.45 | 61,521 | ** |
| 1995 Estimate | 401.49 | 62,118 | 316,210 |

Notes: Activity target as per agreed scope and boundary
Victoria's estimate is over stated because it includes trainees funded outside the NVETS Agreement

Victoria is not expected to maintain effort in 1995 in financial terms by a considerable margin. Victoria is expected to meet its 1995 activity target based on planned 1994 levels. (See additional notes below).

### 1996 Maintenance of Effort

*Victoria is not expected to maintain effort in 1996.*

| | *Expenditure ($m) Recurrent and Capital* | *Expenditure ($m) Recurrent Only* |
|---|---|---|
| 1994 Base | 401.70 | 382.57 |
| 1996 Target | 413.90 | 393.51 |
| 1996 Estimate | 407.06 | 384.20 |

| | *AHC ('000)* | *Enrolments* |
|---|---|---|
| 1996 Target (total) | 64,416 | ** |
| 1996 Estimate(total) | 64,195 | 325,892 |

Notes: Activity target as per agreed scope and boundary
1996 Estimate includes trainees funded outside the NVETS Agreement but does not include hours foregone due to financial reduction as proposed in the Authority's recommendation

Victoria is expected to fall short of maintaining effort in 1996 in both financial and activity terms by considerable margins.

**Additional Details**

In discussions with Victoria in relation to its 1996 Profile, it became clear that there was a difference in understanding of what constitutes the 1994 base for maintenance of effort purposes.

The Authority expressed the view that Victoria was not maintaining effort in activity terms in 1995 and 1996 based on the use of actual 1994 levels as the base for the calculations. Victoria indicated that it had contracts in place with its providers for 1995 to achieve a target developed from planned 1994 data.

The ANTA Board considered this matter at its meeting on 18 October 1995 including several considerations raised by Victoria. The Board agrees with Victoria that it is too late to change the target for 1995 and that, in particular, it would be a breach of the contractual arrangements negotiated with providers to do so at this stage. The Board believes, however, that in the context of the establishment of indicators for the measurement of maintenance of effort there was an intention that these measures would be based on *actual* performance in 1994.

Given the size of Victoria's performance, which was of the order of 4% above planned levels, and the current level of efficiency achieved in delivery, the Board considered that it would be preferable to expect Victoria to make up hours foregone as a result of financial reductions in 1995 and build that higher level of activity into its base.

When notifying Victoria of its intention to recommend this approach to Ministers, the Board also indicated that it would seek to have that activity related to recognition of prior learning (RPL) be removed from the base of Victoria's activity. As mentioned previously, the Board recognises that this activity is desirable and wishes to encourage it, but considers that it should not be included for maintenance of effort purposes until a method for counting RPL activity has been developed.

**Recommendation**

Ministers

(i) note the Authority's advice that it would be inappropriate to require Victoria to rebase on the level of activity it achieved in 1994 which was 4% above its planned level and is not expected to be achieved again.

(ii) note the Authority's advice that the base for Victoria be adjusted upwards by 849,817 AHC to take into account the financial reduction made in 1995 by Victoria which has contributed to its inability to maintain the level of actual activity it achieved in 1994.

(iii) agree that the Profile for Victoria be approved in principle subject to:

a) the overall target for 1996 being 64,415,817 AHC

b) appropriate adjustments to activity tables being settled between Victoria and ANTA

c) an appropriate reduction to the base activity level for recognition of prior learning (RPL) being settled between Victoria and ANTA

**Resolution of the Ministerial Council**

The Authority's recommendation for Victoria is not identical to the resolution agreed by the Ministerial Council. At their meeting on 10 November 1995, Ministers approved the Training Profile presented by Victoria in respect of 1996, subject to:

(a) 1996 growth funds being available on the condition that the overall target for 1996 is adjusted to rebase on the level of activity Victoria achieved in 1994

(b) consequent adjustments to activity tables being settled between Victoria and ANTA

(c) an appropriate reduction to the base level for recognition of prior learning (RPL) being settled between Victoria and ANTA

(d) Victoria's commitment to maintain the provision of the levels and quality of VET with progress on that provision reported to ANTA by 31 March and 30 June 1996, and

(e) on the basis of that reporting, ANTA recommend appropriate action, if ANTA deems that necessary, to the Ministerial Council.

**Revised 1996 Maintenance of Effort**

In relation to Resolution (a) and (c) above, it has been settled between Victoria and ANTA that the 1996 maintenance of effort position for Victoria is as follows:

| | *AHC ('000)* | *Enrolments* |
|---|---|---|
| 1996 Target (total) | 64,573 | ** |
| 1996 Estimate (total) | 64,573 | 324,993 |

Notes: Activity as per agreed scope and boundary

84

## A.6 QUEENSLAND

### 1994 Maintenance of Effort

*Queensland maintained effort in 1994.*

| | *Expenditure ($m)* |
|---|---|
| 1992 Base | 256.92 |
| 1994 Target | 258.70 |
| 1994 Estimate | 271.73 |

| | *AHC ('000)* |
|---|---|
| 1994 Target | 38,048 |
| 1994 Reported | 38,985 |

Notes: 1994 activity as per 1994 Profile scope and reported in Queensland's 1996 Profile

Queensland exceeded its financial target in 1994 by a considerable margin.

### 1995 Maintenance of Effort

*Queensland is expected to maintain effort in 1995.*

| | *Expenditure ($m)* | *AHC ('000)* | *Enrolments* |
|---|---|---|---|
| 1994 Base | 271.73 | 36,723 | ** |
| 1995 Target | 272.95 | 38,123 | ** |
| 1995 Estimate | 276.70 | 39,267 | 191,480 |

Notes: Activity as per agreed scope and boundary and reported in Queensland's 1996 Profile

### 1996 Maintenance of Effort

*Queensland is expected to maintain effort in 1996.*

| | *Expenditure ($m) Recurrent and Capital* | *Expenditure ($m) Recurrent Only* |
|---|---|---|
| 1994 Base | 271.73 | 246.93 |
| 1996 Target | 275.82 | 250.02 |
| 1996 Estimate | 279.11 | 256.30 |

| | *AHC ('000)* | *Enrolments* |
|---|---|---|
| 1996 Target | 38,123 | ** |
| 1996 Estimate Less Cwth Growth | 40,746 | 198,607 |

Notes: Activity as per agreed scope and boundary and reported in Queensland's 1996 Profile

### Additional Details

All Queensland figures are subject to audit verification.

**Recommendation**

***Queensland has satisfied conditions for receipt of 1996 growth funds, subject to audit verification.***

The Authority recommends 1996 growth funds be provided to Queensland subject to the Authority being satisfied on audits for 1994 and their implications being incorporated into its Profile for subsequent years.

## A.7 SOUTH AUSTRALIA

### 1994 Maintenance of Effort

*South Australia did not reach its activity target in 1994.*

| | *Expenditure ($m)* |
|---|---|
| 1992 Base | 147.83 |
| 1994 Target | 147.64 |
| 1994 Actual | 150.74 |

| | *AHC ('000)* |
|---|---|
| 1994 Target | 13,805 |
| 1994 Reported | 13,649 |

Notes: Maintenance expenditure classed as capital
1994 activity target as established by review team

South Australia exceeded its financial target in 1994 but did not meet its activity commitments.

### 1995 Maintenance of Effort

*Overall, South Australia is expected to maintain effort in 1995.*

| | *Expenditure ($m)* | *AHC ('000)* | *Enrolments* |
|---|---|---|---|
| 1994 Base | 150.74 | 13,805 | ** |
| 1995 Target | 153.88 | 14,425 | ** |
| 1995 Estimate | 145.54 | 14,602 | 168,126 |

Notes: Maintenance expenditure classed as capital
1995 target incorporates making up 1994 shortfall

South Australia falls short of its expenditure target in 1995 by $8.33m however, in activity terms, South Australia has demonstrated that it expects to exceed its target which incorporates the 1994 shortfall.

### 1996 Maintenance of Effort

*Overall, South Australia is expected to maintain effort in 1996.*

| | *Expenditure ($m) Recurrent and Capital* | *Expenditure ($m) Recurrent Only* |
|---|---|---|
| 1994 Base | 151.09 | 141.81 |
| 1996 Target | 156.29 | 146.52 |
| 1996 Estimate | 142.25 | 132.72 |

Notes: Maintenance expenditure classed as recurrent

| | *AHC ('000)* | *Enrolments* |
|---|---|---|
| 1996 Target adjusted | 14,268 | ** |
| 1996 Estimate Less Cwth Growth | 14,280 | 166,399 |

Notes: Adjusted target excludes one off additional activity required in 1995 to make up shortfall in 1994

South Australia falls short of its expenditure targets in 1996. However, in activity terms, South Australia has demonstrated that it expects to meet its target.

**Additional Details**

Expenditure figures have been amended to take account of South Australia's advice regarding "fee for service" expenditure.

***South Australia has satisfied conditions for receipt of 1996 growth funds.***

**Recommendation**

The Authority considers that South Australia is maintaining and will continue to maintain effort.

The Authority recommends 1996 growth funds be provided to South Australia.

**Resolution of the Ministerial Council**

The Authority's recommendation for South Australia is not identical to the resolution agreed by the Ministerial Council. At their meeting on 10 November 1995, Ministers approved the Training Profile presented by South Australia in respect of 1996, subject to:

(a) South Australia's commitment to maintain the provision of the levels and quality of VET with progress on that provision reported to ANTA by 31 March and 30 June 1996, and

(b) that on the basis of that reporting, ANTA recommend appropriate action, if ANTA deems that necessary, to the Ministerial Council.

## A.8 WESTERN AUSTRALIA

### 1994 Maintenance of Effort

*Western Australia maintained effort in 1994.*

| | *Expenditure ($m)* |
|---|---|
| 1992 Base | 160.07 |
| 1994 Target | 164.42 |
| 1994 Estimate | 175.29 |

| | *AHC ('000)* |
|---|---|
| 1994 Target | 17,305 |
| 1994 Reported | 17,323 |

Notes: Capital expenditure data include major works only
Activity data as per 1994 profile scope, that is, excluding trainees

### 1995 Maintenance of Effort

*Western Australia is expected to maintain effort in 1995.*

| | *Expenditure ($m)* | *AHC ('000)* | *Enrolments* |
|---|---|---|---|
| 1994 Base | 175.29 | 17,716 | ** |
| 1995 Target | 179.81 | 18,497 | ** |
| 1995 Estimate | 180.44 | 18,594 | 93,624 |

Notes: Capital expenditure data include major works only
Activity as per agreed scope and boundary

### 1996 Maintenance of Effort

*Overall, Western Australia is expected to maintain effort in 1996.*

| | *Expenditure ($m) Recurrent and Capital* | *Expenditure ($m) Recurrent Only* |
|---|---|---|
| 1994 Base | 175.29 | 167.24 |
| 1996 Target | 184.62 | 176.02 |
| 1996 Estimate | 183.43 | 175.50 |

Notes: The *Recurrent and Capital* column includes major works capital expenditure only. The *Recurrent Only* column excludes all capital expenditure.

| | *AHC ('000)* | *Enrolments* |
|---|---|---|
| 1996 Target | 18,497 | ** |
| 1996 Estimate Less Cwth Growth | 18,674 | 96,087 |

Western Australia will have a marginal shortfall in financial maintenance of effort, however it will maintain effort in activity terms. Western Australia is considered to be maintaining effort overall.

The marginal shortfall in financial maintenance of effort has arisen in late discussions with Western Australia. This issue is now under discussion between the Western Australian Treasury and the Western Australian Department of Training.

**Additional Details**

Financial data are subject to audit verification for 1994.

***Western Australia has satisfied conditions for receipt of 1996 growth funds.***

**Recommendation**

The Authority considers that Western Australia is maintaining and will continue to maintain effort.

The Authority recommends 1996 growth funds be provided to Western Australia.

## A.9 TASMANIA

### 1994 Maintenance of Effort

*Tasmania maintained effort in 1994.*

| | *Expenditure ($m)* |
|---|---|
| 1992 Base | 40.39 |
| 1994 Target | 44.56 |
| 1994 Actual | 44.73 |

| | *AHC ('000)* |
|---|---|
| 1994 Target | 3,458 |
| 1994 Reported | 3,496 |

Notes: Rebased 1994 activity target as per agreed scope and boundary

### 1995 Maintenance of Effort

*Tasmania is expected to maintain effort in 1995.*

| | *Expenditure ($m)* | *AHC ('000)* | *Enrolments* |
|---|---|---|---|
| 1994 Base | 44.73 | 3,496 | ** |
| 1995 Target | 45.26 | 3,683 | ** |
| 1995 Estimate | 45.77 | 3,715 | 20,378 |

Notes: 1994 activity base has altered significantly from that previously reported in order to exclude various fee for service and labour market program activities as per agreed scope and boundary.

### 1996 Maintenance of Effort

*Tasmania is expected to maintain effort in 1996.*

| | *Expenditure ($m) Recurrent and Capital* | *Expenditure ($m) Recurrent Only* |
|---|---|---|
| 1994 Base | 44.73 | 41.73 |
| 1996 Target | 46.10 | 42.95 |
| 1996 Estimate | 46.59 | 43.39 |

| | *AHC ('000)* | *Enrolments* |
|---|---|---|
| 1996 Target | 3,683 | ** |
| 1996 Estimate Less Cwth Growth | 3,714 | 20,378 |

*Tasmania has satisfied conditions for receipt of 1996 growth funds.*

### Recommendation

The Authority considers that Tasmania is maintaining and will continue to maintain effort.

The Authority recommends 1996 growth funds be provided to Tasmania.

## A.9 NORTHERN TERRITORY

### 1994 Maintenance of Effort

*Northern Territory maintained effort in 1994.*

| | *Expenditure ($m)* |
|---|---|
| 1992 Base | 43.18 |
| 1994 Target | 43.48 |
| 1994 Actual | 48.40 |

| | *AHC ('000)* |
|---|---|
| 1994 Target | 2,381 |
| 1994 Reported | 2,413 |

Notes: Maintenance expenditure classed as capital
1994 activity as per 1994 Profile scope

### 1995 Maintenance of Effort

*The Northern Territory is expected to maintain effort in 1995.*

| | *Expenditure ($m)* | *AHC ('000)* | *Enrolments* |
|---|---|---|---|
| 1994 Base | 48.40 | 2,405 | ** |
| 1995 Target | 48.62 | 2,485 | ** |
| 1995 Estimate | 48.85 | 2,497 | 10,291 |

Notes: Maintenance expenditure classed as capital
Activity as per agreed scope and boundary

### 1996 Maintenance of Effort

*Overall, the Northern Territory is expected to maintain effort in 1996.*

| | *Expenditure ($m) Recurrent and Capital* | *Expenditure ($m) Recurrent Only* |
|---|---|---|
| 1994 Base | 47.78 | 43.53 |
| 1996 Target | 48.51 | 44.07 |
| 1996 Estimate | 48.42 | 44.01 |

Notes: Maintenance expenditure classed as recurrent

| | *AHC ('000)* | *Enrolments* |
|---|---|---|
| 1996 Target | 2,485 | ** |
| 1996 Estimate Less Cwth Growth | 2,527 | 10,193 |

The Northern Territory is not expected to maintain financial effort in 1996 by a small margin. In activity terms, the Northern Territory is expected to maintain effort.

*The Northern Territory has satisfied conditions for receipt of 1996 growth funds.*

**Recommendation**

The Authority considers that the Northern Territory is maintaining and will continue to maintain effort.

The Authority recommends 1996 growth funds be provided to the Northern Territory.

## A.11 AUSTRALIAN CAPITAL TERRITORY

### 1994 Maintenance of Effort

*ACT maintained effort in 1994.*

| | *Expenditure ($m)* |
|---|---|
| 1992 Base | 45.23 |
| 1994 Target | 46.65 |
| 1994 Actual | 46.92 |

| | *AHC ('000)* |
|---|---|
| 1994 Target | 3,919 |
| 1994 Reported | 3,957 |

Notes: Capital rationalisation program not included
1994 activity as per 1994 Profile scope, that is, excluding trainees.

### 1995 Maintenance of Effort

*Overall, ACT is expected to maintain effort in 1995.*

| | *Expenditure ($m)* | *AHC ('000)* | *Enrolments* |
|---|---|---|---|
| 1994 Base | 46.92 | 4,145 | ** |
| 1995 Target | 47.51 | 4,348 | ** |
| 1995 Estimate | 47.49 | 4,414 | 17,481 |

Notes: 1995 expenditure target includes a wage increase of $0.38m
Activity as per agreed scope and boundary

ACT is not expected to maintain financial effort in 1995 by a small margin. In terms of activity levels, ACT is expected to maintain effort.

### 1996 Maintenance of Effort

*Overall, ACT is expected to maintain effort in 1996.*

| | *Expenditure ($m) Recurrent and Capital* | *Expenditure ($m) Recurrent Only* |
|---|---|---|
| 1994 Base | 46.92 | 43.26 |
| 1996 Target | 48.01 | 44.19 |
| 1996 Estimate | 46.75 | 43.98 |

| | *AHC ('000)* | *Enrolments* |
|---|---|---|
| 1996 Target | 4,348 | ** |
| 1996 Estimate Less Cwth Growth | 4,411 | 17,470 |

*The Australian Capital Territory has satisfied conditions for receipt of 1996 growth funds.*

The Australian Capital Territory will have a marginal shortfall in financial maintenance of effort, however it will maintain effort in activity terms. The Australian Capital Territory is considered to be maintaining effort overall.

**Recommendation**

The Authority recommends 1996 growth funds be provided to the Australian Capital Territory.

## Appendix B: Activity by State/Territory

### Table B.1: Expected Changes to Training Activity Levels between 1995 Revised Estimates and 1996 Projections

| | 1995 Revised | 1996 Projection | Total Increase | C'wealth Growth Funded Increase[1] |
|---|---|---|---|---|
| | | *AHC ('000)* | | |
| New South Wales | 96,028 | 99,033 | 3,005 | 3,005 |
| Victoria | 62,118 | 64,573 | 2,455 | 2,381 |
| Queensland | 39,267 | 42,316 | 3,050 | 1,570 |
| South Australia | 14,602 | 14,926 | 324 | 646 |
| Western Australia | 18,594 | 19,351 | 757 | 677 |
| Tasmania | 3,715 | 3,914 | 199 | 200 |
| Northern Territory | 2,497 | 2,594 | 97 | 67 |
| Australian Capital Territory | 4,414 | 4,562 | 148 | 151 |
| ***Total***[2] | ***241,237*** | ***251,270*** | ***10,033*** | ***8,696*** |
| | | *Enrolments*[3] | | |
| New South Wales | 369,963 | 382,527 | 12,564 | 12,350 |
| Victoria | 316,210 | 324,993 | 8,783 | 9,614 |
| Queensland | 191,480 | 206,261 | 14,781 | 7,654 |
| South Australia | 168,126 | 170,089 | 1,963 | 3,690 |
| Western Australia | 93,624 | 99,686 | 6,062 | 3,599 |
| Tasmania | 20,378 | 21,478 | 1,100 | 1,100 |
| Northern Territory | 10,291 | 10,463 | 172 | 270 |
| Australian Capital Territory | 17,481 | 18,299 | 818 | 829 |
| ***Total***[2] | ***1,187,553*** | ***1,233,796*** | ***46,243*** | ***39,106*** |

1. The increase shown from Commonwealth growth funds is sometimes greater than the total increase. For some States this is a matter of rounding. In the case of South Australia, the difference relates to the requirement to make up the 1994 shortfall in activity during 1995.

2. Columns may not sum to totals due to rounding.

3. This table includes both course based and modular enrolments. Enrolment figures fluctuate according to course length.

## Appendix C: 1996 Format for Reporting Activity

***The new format for the 1996 activity tables links activity to the groups of occupations and areas of skill for which training is provided.***

This year a new format has been introduced for the presentation of planned activity in State Training Profiles. This format has been developed in consultation with States and Territories and is a significant advance on previous approaches. It describes the provision of vocational education and training in a manner more relevant to industry.

In the new format, training provision is linked to outcomes by coding courses to the main occupation or skill area for which they prepare students. The format also recognises that some States and Territories provide training on a modular basis. Modules are coded by Discipline Group, a description of the principal area of skill/knowledge taught in that module. Both the classification of courses by the Australian Standard Classification of Occupations (ASCO) and of modules by Discipline Group have been introduced under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS).

***The format identifies 19 training areas within three categories: vocational education and training which is primarily for particular industries, that which is relevant across industries, and general education and training.***

The format aggregates the ASCO codes (to which the courses are linked) and the Discipline Groups ( to which the modules are linked) into 19 training areas to make up one dimension of a matrix. The 19 training areas fall into three categories:

- **Category A** - *Occupational Training Which is Industry Specific* including activity intended to train people for a specific occupation or set of occupations which are primarily associated with specific industries or groups of industries. Fifteen of the 19 training areas fall into this category.

- **Category B** - *Occupational Training Which is Non-Industry Specific* including activity which provides vocational education and training for occupations found across many industries. Three of the 19 training areas are included in this category - Business and Clerical; Computing; and Science, Technical and Other.

- **Category C** - The final training area is General Education and Training and includes activity which has no specific occupational content but which equips students with general workforce skills such as literacy, numeracy and social skills. Adult Year 11 and 12 programs also belong to this training area.

Table C.2, which is situated at the end of this section, lists the 19 training areas together with a brief description of each.

***Level of occupation is the other dimension of the new format.***

Occupational level is the other dimension of the matrix. For each of the 19 training areas, course based activity is allocated against three broad levels of occupation for which training is provided: Operative/Clerical, Tradespersons, and Professional/Para-professional. These three levels are aggregations of the ASCO major groups as shown in Table C.1.

**Table C.1: Aggregation of Major ASCO Groups**

| Level of Course Based Activity | | ASCO Major Group |
|---|---|---|
| Professional / Para-Professional | 1 | Managers and Administrators |
| | 2 | Professionals |
| | 3 | Para-Professionals |
| Tradespersons | 4 | Tradespersons |
| Operative / Clerical | 5 | Clerks |
| | 6 | Salespersons and Personal Service Workers |
| | 7 | Plant and Machine Operators and Drivers |
| | 8 | Labourers and Related Workers |
| General / Unspecified | - | No ASCO codes applicable |

A fourth level is "General/Unspecified". This contains course based activity which cannot be associated with an ASCO code. "Unspecified" denotes vocational training which is applicable across a range of occupations, within a given training area, without being associated with any particular level of occupation. "General" denotes training in the area General Education and Training.

***Training within each occupation level includes both entry level training and higher level training relevant to each occupational group.***

These levels of course based activity do *not* relate directly to the Stream based classification used for the 1994 and 1995 State Training Profiles. Neither can these levels be correlated with course nomenclature levels in the Australian Qualifications Framework (AQF). They are intended solely to indicate the groups of occupations for which training is being provided. Hence training at operative level, for example, includes both broad entry level training and training in advanced level skills required by people in operative occupations. This training will therefore span across Stream classifications and levels within the AQF.

Modular based activity, on the other hand, is not disaggregated by occupational level because AVETMISS does not provide for the classification of modular based activity in this way.

*The training areas within the format can be broadly correlated with National ITABs.*

The 19 training areas can be broadly correlated with national Industry Training Advisory Bodies (ITABs) to identify training activity of particular interest to each ITAB. The correlation of training areas with national ITABs is shown in Table C.2. There is no single correlation for the national Public Administration ITAB. Training areas of particular relevance to this ITAB include Community Services, Health and Education; Business and Clerical; and Computing.

This correlation is not intended in any way to suggest that training in other areas is not also of vital concern to national ITABs as ITABs are defined in terms of industries rather than groupings of occupations. The correlation is also limited by the structure of ASCO which makes it difficult to separate some occupations out. For example, it is not possible to differentiate with confidence between engineers working in manufacturing and those working in the mining industry

*The new format will be reviewed before the 1997 Profiles are developed.*

The format for the 1996 activity tables will be reviewed before the 1997 Profiles are developed with a view to refining classifications and enhancing consistency. The implementation of this approach will also be reviewed to improve the quality of data provided by States and Territories.

**Table C.2: Training Areas Showing Correlations with National ITABs and a General Outline of each Area**

| Training Area | National ITAB | Brief Description* |
|---|---|---|
| **Category A** | | |
| Arts, Entertainment, Sports and Recreation | Cultural and Recreation | Artists, film and television workers, graphic designers, sports managers, specialist teachers, museum workers, recreation workers, interior decorators, craftworkers including jewellery and precious metalware trades, bookmakers |
| Automotive | Automotive | Automotive tradespersons, specialist sales assistants, service station attendants, motor vehicle cleaners |
| Building and Construction | Building and Construction | Professional builders, contractors, architects and interior designers, cartographers and surveyors, building inspectors, building trades other than: electricians, excavators and earth movers, crane operators, hoist, winch and lift operators, structural steel workers |
| Communications | Telecommunications, Postal Services, Information Technology and Printing | Postal workers, photographers, journalists, printing and binding trades, messengers and delivery officers, paper and paper products machine operators |

| Training Area | National ITAB | Brief Description* |
|---|---|---|
| Community Services, Health and Education | Community Services and Health | Teachers, instructors and teachers aides, librarians, medical administrators, interpreters and translators, welfare para-professionals, child care workers, ambulance officers, prison officers, fire fighters, police officers, hospital workers, health para-professionals, dental technicians, registered and enrolled nurses, health inspectors, traffic inspectors |
| Engineering and Mining | Manufacturing, Engineering and Related Services<br><br>Mining | Engineers and associates (civil, mechanical, mining, marine), metal trades including: blasting, fitting and machining, forging, sheetmetal working, structural steel, boilermaking and welding trades, casting and finishing; open cut miners, underground plant operators, ore treatment workers |
| Finance, Banking and Insurance (including Property Services) | Finance and Administration<br><br>Property Services | Specialist financial managers, real estate agents, insurance assessors and brokers, investment, insurance and real estate sales persons, cleaners, garbage collectors, guards, security officers and caretakers |
| Food Processing | Food | Food tradespersons include bakers and pastry cooks, machine operators, packaging machine operators, tobacco workers, food related factory hands and process workers |
| Primary Industry | Primary Industry | Farmers and farm managers, fishermen/women, park rangers, horticultural trades, shearers, animal trainers, forestry workers and timber processors, veterinary nurses |
| Process Manufacturing | Process Manufacturing | Plant and machine operators: chemical, petroleum and gas, ceramics, smelting, plastics and rubber |
| Sales and Personal Service | Retail, Wholesale and Associated Services | Wholesalers, import/exporters, buyers, specialist managers, hairdressers, florists, sales representatives and assistants, vendors, canvassers, sales drivers, funeral directors, beauty therapists, masseurs and domestic cleaners |

| Training Area | National ITAB | Brief Description* |
|---|---|---|
| Textiles, Clothing and Footwear and Furnishings | Light Manufacturing | Fashion designers, hide, skin and leather workers, textile trades, furnishing trades including: cabinetmaking, upholstering and bed making, dry cleaning machine operators, carpet cleaners and laundry workers |
| Tourism and Hospitality | Tourism and Hospitality | Specialist managers, cooks and kitchen hands, bar attendants and waiters/waitresses, travel agents, stewards and tour guides |
| Transport and Storage | Transport and Distribution | Railway station staff, pilots and drivers, for shipping, rail, road and air transport, specialist inspectors, freight and bulk material handlers |
| Utilities | Utilities | Electrical and electronic engineers, technicians and tradespersons, refrigeration and air conditioning mechanics, communications equipment tradespersons and servicers, meter readers, power generation plant operators, water supply and treatment plant operators |
| **Category B** | | |
| Business and Clerical | | Managers: general, finance, sales and marketing, production, supply and distribution, personnel and industrial relations, accountants, stenographers, typists and clerks<br>General clerical and management skills |
| Computing | | Computing professionals, data processors<br>Computing skills |
| Science, Technical and Other | | Scientists, technical officers and technicians, inspectors and supervisors, quality controllers, training for tradespersons and machine operators which is not related to any particular industry |
| **Category C** | | |
| General Education and Training | | Literacy, numeracy and life skills training<br>Year 11 and 12 programs |

* This description is only intended to give a general outline of the area. The Authority can provide a listing of actual ASCO codes and Discipline Groups assigned to each area.

## Appendix C: 1996 Format for Reporting Activity

***The new format for the 1996 activity tables links activity to the groups of occupations and areas of skill for which training is provided.***

This year a new format has been introduced for the presentation of planned activity in State Training Profiles. This format has been developed in consultation with States and Territories and is a significant advance on previous approaches. It describes the provision of vocational education and training in a manner more relevant to industry.

In the new format, training provision is linked to outcomes by coding courses to the main occupation or skill area for which they prepare students. The format also recognises that some States and Territories provide training on a modular basis. Modules are coded by Discipline Group, a description of the principal area of skill/knowledge taught in that module. Both the classification of courses by the Australian Standard Classification of Occupations (ASCO) and of modules by Discipline Group have been introduced under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS).

***The format identifies 19 training areas within three categories: vocational education and training which is primarily for particular industries, that which is relevant across industries, and general education and training.***

The format aggregates the ASCO codes (to which the courses are linked) and the Discipline Groups ( to which the modules are linked) into 19 training areas to make up one dimension of a matrix. The 19 training areas fall into three categories:

- **Category A** - *Occupational Training Which is Industry Specific* including activity intended to train people for a specific occupation or set of occupations which are primarily associated with specific industries or groups of industries. Fifteen of the 19 training areas fall into this category.

- **Category B** - *Occupational Training Which is Non-Industry Specific* including activity which provides vocational education and training for occupations found across many industries. Three of the 19 training areas are included in this category - Business and Clerical; Computing; and Science, Technical and Other.

- **Category C** - The final training area is General Education and Training and includes activity which has no specific occupational content but which equips students with general workforce skills such as literacy, numeracy and social skills. Adult Year 11 and 12 programs also belong to this training area.

Table C.2, which is situated at the end of this section, lists the 19 training areas together with a brief description of each.

***Level of occupation is the other dimension of the new format.***

Occupational level is the other dimension of the matrix. For each of the 19 training areas, course based activity is allocated against three broad levels of occupation for which training is provided: Operative/Clerical, Tradespersons, and Professional/Para-professional. These three levels are aggregations of the ASCO major groups as shown in Table C.1.

**Table C.1: Aggregation of Major ASCO Groups**

| Level of Course Based Activity | | ASCO Major Group |
|---|---|---|
| Professional / Para-Professional | 1 | Managers and Administrators |
| | 2 | Professionals |
| | 3 | Para-Professionals |
| Tradespersons | 4 | Tradespersons |
| Operative / Clerical | 5 | Clerks |
| | 6 | Salespersons and Personal Service Workers |
| | 7 | Plant and Machine Operators and Drivers |
| | 8 | Labourers and Related Workers |
| General / Unspecified | - | No ASCO codes applicable |

A fourth level is "General/Unspecified". This contains course based activity which cannot be associated with an ASCO code. "Unspecified" denotes vocational training which is applicable across a range of occupations, within a given training area, without being associated with any particular level of occupation. "General" denotes training in the area General Education and Training.

***Training within each occupation level includes both entry level training and higher level training relevant to each occupational group.***

These levels of course based activity do *not* relate directly to the Stream based classification used for the 1994 and 1995 State Training Profiles. Neither can these levels be correlated with course nomenclature levels in the Australian Qualifications Framework (AQF). They are intended solely to indicate the groups of occupations for which training is being provided. Hence training at operative level, for example, includes both broad entry level training and training in advanced level skills required by people in operative occupations. This training will therefore span across Stream classifications and levels within the AQF.

Modular based activity, on the other hand, is not disaggregated by occupational level because AVETMISS does not provide for the classification of modular based activity in this way.

*The training areas within the format can be broadly correlated with National ITABs.*

The 19 training areas can be broadly correlated with national Industry Training Advisory Bodies (ITABs) to identify training activity of particular interest to each ITAB. The correlation of training areas with national ITABs is shown in Table C.2. There is no single correlation for the national Public Administration ITAB. Training areas of particular relevance to this ITAB include Community Services, Health and Education; Business and Clerical; and Computing.

This correlation is not intended in any way to suggest that training in other areas is not also of vital concern to national ITABs as ITABs are defined in terms of industries rather than groupings of occupations. The correlation is also limited by the structure of ASCO which makes it difficult to separate some occupations out. For example, it is not possible to differentiate with confidence between engineers working in manufacturing and those working in the mining industry

*The new format will be reviewed before the 1997 Profiles are developed.*

The format for the 1996 activity tables will be reviewed before the 1997 Profiles are developed with a view to refining classifications and enhancing consistency. The implementation of this approach will also be reviewed to improve the quality of data provided by States and Territories.

**Table C.2: Training Areas Showing Correlations with National ITABs and a General Outline of each Area**

| Training Area | National ITAB | Brief Description |
|---|---|---|
| **Category A** | | |
| Arts, Entertainment, Sports and Recreation | Cultural and Recreation | Artists, film and television workers, graphic designers, sports managers, specialist teachers, museum workers, recreation workers, interior decorators, craftworkers including jewellery and precious metalware trades, bookmakers |
| Automotive | Automotive | Automotive tradespersons, specialist sales assistants, service station attendants, motor vehicle cleaners |
| Building and Construction | Building and Construction | Professional builders, contractors, architects and interior designers, cartographers and surveyors, building inspectors, building trades other than: electricians, excavators and earth movers, crane operators, hoist, winch and lift operators, structural steel workers |
| Communications | Telecommunications, Postal Services, Information Technology and Printing | Postal workers, photographers, journalists, printing and binding trades, messengers and delivery officers, paper and paper products machine operators |

| Training Area | National ITAB | Brief Description* |
|---|---|---|
| Community Services, Health and Education | Community Services and Health | Teachers, instructors and teachers aides, librarians, medical administrators, interpreters and translators, welfare para-professionals, child care workers, ambulance officers, prison officers, fire fighters, police officers, hospital workers, health para-professionals, dental technicians, registered and enrolled nurses, health inspectors, traffic inspectors |
| Engineering and Mining | Manufacturing, Engineering and Related Services<br><br>Mining | Engineers and associates (civil, mechanical, mining, marine), metal trades including: blasting, fitting and machining, forging, sheetmetal working, structural steel, boilermaking and welding trades, casting and finishing; open cut miners, underground plant operators, ore treatment workers |
| Finance, Banking and Insurance (including Property Services) | Finance and Administration<br><br>Property Services | Specialist financial managers, real estate agents, insurance assessors and brokers, investment, insurance and real estate sales persons, cleaners, garbage collectors, guards, security officers and caretakers |
| Food Processing | Food | Food tradespersons include bakers and pastry cooks, machine operators, packaging machine operators, tobacco workers, food related factory hands and process workers |
| Primary Industry | Primary Industry | Farmers and farm managers, fishermen/women, park rangers, horticultural trades, shearers, animal trainers, forestry workers and timber processors, veterinary nurses |
| Process Manufacturing | Process Manufacturing | Plant and machine operators: chemical, petroleum and gas, ceramics, smelting, plastics and rubber |
| Sales and Personal Service | Retail, Wholesale and Associated Services | Wholesalers, import/exporters, buyers, specialist managers, hairdressers, florists, sales representatives and assistants, vendors, canvassers, sales drivers, funeral directors, beauty therapists, masseurs and domestic cleaners |

| Training Area | National ITAB | Brief Description* |
|---|---|---|
| Textiles, Clothing and Footwear and Furnishings | Light Manufacturing | Fashion designers, hide, skin and leather workers, textile trades, furnishing trades including: cabinetmaking, upholstering and bed making, dry cleaning machine operators, carpet cleaners and laundry workers |
| Tourism and Hospitality | Tourism and Hospitality | Specialist managers, cooks and kitchen hands, bar attendants and waiters/waitresses, travel agents, stewards and tour guides |
| Transport and Storage | Transport and Distribution | Railway station staff, pilots and drivers, for shipping, rail, road and air transport, specialist inspectors, freight and bulk material handlers |
| Utilities | Utilities | Electrical and electronic engineers, technicians and tradespersons, refrigeration and air conditioning mechanics, communications equipment tradespersons and servicers, meter readers, power generation plant operators, water supply and treatment plant operators |
| **Category B** | | |
| Business and Clerical | | Managers: general, finance, sales and marketing, production, supply and distribution, personnel and industrial relations, accountants, stenographers, typists and clerks<br>General clerical and management skills |
| Computing | | Computing professionals, data processors<br>Computing skills |
| Science, Technical and Other | | Scientists, technical officers and technicians, inspectors and supervisors, quality controllers, training for tradespersons and machine operators which is not related to any particular industry |
| **Category C** | | |
| General Education and Training | | Literacy, numeracy and life skills training<br>Year 11 and 12 programs |

* This description is only intended to give a general outline of the area. The Authority can provide a listing of actual ASCO codes and Discipline Groups assigned to each area.

## Appendix C: 1996 Format for Reporting Activity

***The new format for the 1996 activity tables links activity to the groups of occupations and areas of skill for which training is provided.***

This year a new format has been introduced for the presentation of planned activity in State Training Profiles. This format has been developed in consultation with States and Territories and is a significant advance on previous approaches. It describes the provision of vocational education and training in a manner more relevant to industry.

In the new format, training provision is linked to outcomes by coding courses to the main occupation or skill area for which they prepare students. The format also recognises that some States and Territories provide training on a modular basis. Modules are coded by Discipline Group, a description of the principal area of skill/knowledge taught in that module. Both the classification of courses by the Australian Standard Classification of Occupations (ASCO) and of modules by Discipline Group have been introduced under the Australian Vocational Education and Training Management Information Statistical Standard (AVETMISS).

***The format identifies 19 training areas within three categories: vocational education and training which is primarily for particular industries, that which is relevant across industries, and general education and training.***

The format aggregates the ASCO codes (to which the courses are linked) and the Discipline Groups ( to which the modules are linked) into 19 training areas to make up one dimension of a matrix. The 19 training areas fall into three categories:

- **Category A** - *Occupational Training Which is Industry Specific* including activity intended to train people for a specific occupation or set of occupations which are primarily associated with specific industries or groups of industries. Fifteen of the 19 training areas fall into this category.

- **Category B** - *Occupational Training Which is Non-Industry Specific* including activity which provides vocational education and training for occupations found across many industries. Three of the 19 training areas are included in this category - Business and Clerical; Computing; and Science, Technical and Other.

- **Category C** - The final training area is General Education and Training and includes activity which has no specific occupational content but which equips students with general workforce skills such as literacy, numeracy and social skills. Adult Year 11 and 12 programs also belong to this training area.

Table C.2, which is situated at the end of this section, lists the 19 training areas together with a brief description of each.

***Level of occupation is the other dimension of the new format.***

Occupational level is the other dimension of the matrix. For each of the 19 training areas, course based activity is allocated against three broad levels of occupation for which training is provided: Operative/Clerical, Tradespersons, and Professional/Para-professional. These three levels are aggregations of the ASCO major groups as shown in Table C.1.

**Table C.1: Aggregation of Major ASCO Groups**

| Level of Course Based Activity | ASCO Major Group | |
|---|---|---|
| Professional / Para-Professional | 1 | Managers and Administrators |
| | 2 | Professionals |
| | 3 | Para-Professionals |
| Tradespersons | 4 | Tradespersons |
| Operative / Clerical | 5 | Clerks |
| | 6 | Salespersons and Personal Service Workers |
| | 7 | Plant and Machine Operators and Drivers |
| | 8 | Labourers and Related Workers |
| General / Unspecified | - | No ASCO codes applicable |

A fourth level is "General/Unspecified". This contains course based activity which cannot be associated with an ASCO code. "Unspecified" denotes vocational training which is applicable across a range of occupations, within a given training area, without being associated with any particular level of occupation. "General" denotes training in the area General Education and Training.

***Training within each occupation level includes both entry level training and higher level training relevant to each occupational group.***

These levels of course based activity do *not* relate directly to the Stream based classification used for the 1994 and 1995 State Training Profiles. Neither can these levels be correlated with course nomenclature levels in the Australian Qualifications Framework (AQF). They are intended solely to indicate the groups of occupations for which training is being provided. Hence training at operative level, for example, includes both broad entry level training and training in advanced level skills required by people in operative occupations. This training will therefore span across Stream classifications and levels within the AQF.

Modular based activity, on the other hand, is not disaggregated by occupational level because AVETMISS does not provide for the classification of modular based activity in this way.

*The training areas within the format can be broadly correlated with National ITABs.*

The 19 training areas can be broadly correlated with national Industry Training Advisory Bodies (ITABs) to identify training activity of particular interest to each ITAB. The correlation of training areas with national ITABs is shown in Table C.2. There is no single correlation for the national Public Administration ITAB. Training areas of particular relevance to this ITAB include Community Services, Health and Education; Business and Clerical; and Computing.

This correlation is not intended in any way to suggest that training in other areas is not also of vital concern to national ITABs as ITABs are defined in terms of industries rather than groupings of occupations. The correlation is also limited by the structure of ASCO which makes it difficult to separate some occupations out. For example, it is not possible to differentiate with confidence between engineers working in manufacturing and those working in the mining industry

*The new format will be reviewed before the 1997 Profiles are developed.*

The format for the 1996 activity tables will be reviewed before the 1997 Profiles are developed with a view to refining classifications and enhancing consistency. The implementation of this approach will also be reviewed to improve the quality of data provided by States and Territories.

**Table C.2: Training Areas Showing Correlations with National ITABs and a General Outline of each Area**

| Training Area | National ITAB | Brief Description* |
|---|---|---|
| **Category A** | | |
| Arts, Entertainment, Sports and Recreation | Cultural and Recreation | Artists, film and television workers, graphic designers, sports managers, specialist teachers, museum workers, recreation workers, interior decorators, craftworkers including jewellery and precious metalware trades, bookmakers |
| Automotive | Automotive | Automotive tradespersons, specialist sales assistants, service station attendants, motor vehicle cleaners |
| Building and Construction | Building and Construction | Professional builders, contractors, architects and interior designers, cartographers and surveyors, building inspectors, building trades other than: electricians, excavators and earth movers, crane operators, hoist, winch and lift operators, structural steel workers |
| Communications | Telecommunications, Postal Services, Information Technology and Printing | Postal workers, photographers, journalists, printing and binding trades, messengers and delivery officers, paper and paper products machine operators |

| Training Area | National ITAB | Brief Description |
|---|---|---|
| Community Services, Health and Education | Community Services and Health | Teachers, instructors and teachers aides, librarians, medical administrators, interpreters and translators, welfare para-professionals, child care workers, ambulance officers, prison officers, fire fighters, police officers, hospital workers, health para-professionals, dental technicians, registered and enrolled nurses, health inspectors, traffic inspectors |
| Engineering and Mining | Manufacturing, Engineering and Related Services<br><br>Mining | Engineers and associates (civil, mechanical, mining, marine), metal trades including: blasting, fitting and machining, forging, sheetmetal working, structural steel, boilermaking and welding trades, casting and finishing; open cut miners, underground plant operators, ore treatment workers |
| Finance, Banking and Insurance (including Property Services) | Finance and Administration<br><br>Property Services | Specialist financial managers, real estate agents, insurance assessors and brokers, investment, insurance and real estate sales persons, cleaners, garbage collectors, guards, security officers and caretakers |
| Food Processing | Food | Food tradespersons include bakers and pastry cooks, machine operators, packaging machine operators, tobacco workers, food related factory hands and process workers |
| Primary Industry | Primary Industry | Farmers and farm managers, fishermen/women, park rangers, horticultural trades, shearers, animal trainers, forestry workers and timber processors, veterinary nurses |
| Process Manufacturing | Process Manufacturing | Plant and machine operators: chemical, petroleum and gas, ceramics, smelting, plastics and rubber |
| Sales and Personal Service | Retail, Wholesale and Associated Services | Wholesalers, import/exporters, buyers, specialist managers, hairdressers, florists, sales representatives and assistants, vendors, canvassers, sales drivers, funeral directors, beauty therapists, masseurs and domestic cleaners |

| Training Area | National ITAB | Brief Description* |
|---|---|---|
| Textiles, Clothing and Footwear and Furnishings | Light Manufacturing | Fashion designers, hide, skin and leather workers, textile trades, furnishing trades including: cabinetmaking, upholstering and bed making, dry cleaning machine operators, carpet cleaners and laundry workers |
| Tourism and Hospitality | Tourism and Hospitality | Specialist managers, cooks and kitchen hands, bar attendants and waiters/waitresses, travel agents, stewards and tour guides |
| Transport and Storage | Transport and Distribution | Railway station staff, pilots and drivers, for shipping, rail, road and air transport, specialist inspectors, freight and bulk material handlers |
| Utilities | Utilities | Electrical and electronic engineers, technicians and tradespersons, refrigeration and air conditioning mechanics, communications equipment tradespersons and servicers, meter readers, power generation plant operators, water supply and treatment plant operators |
| **Category B** | | |
| Business and Clerical | | Managers: general, finance, sales and marketing, production, supply and distribution, personnel and industrial relations, accountants, stenographers, typists and clerks |
| | | General clerical and management skills |
| Computing | | Computing professionals, data processors |
| | | Computing skills |
| Science, Technical and Other | | Scientists, technical officers and technicians, inspectors and supervisors, quality controllers, training for tradespersons and machine operators which is not related to any particular industry |
| **Category C** | | |
| General Education and Training | | Literacy, numeracy and life skills training<br>Year 11 and 12 programs |

* This description is only intended to give a general outline of the area. The Authority can provide a listing of actual ASCO codes and Discipline Groups assigned to each area.

# DIRECTIONS AND RESOURCE ALLOCATIONS FOR 1997

AUSTRALIAN
NATIONAL TRAINING
AUTHORITY

VOCATIONAL EDUCATION AND TRAINING

# DIRECTIONS AND RESOURCE ALLOCATIONS FOR 1997

AUSTRALIAN
NATIONAL TRAINING
AUTHORITY

REPORT TO THE MINISTERIAL COUNCIL

NOVEMBER 1996

*Directions and Resource Allocations for 1997* provides the Authority's analysis of the 1997 State Training Profiles and includes recommendations for the Ministerial Council on the allocation of an estimated $2,888m in Commonwealth and State/Territory funds. It also highlights developments in national strategic directions, policy, the economy and labour market, and performance measurement.

Enquiries should be directed to:

Australian National Training Authority
AMP Place, 10 Eagle Street, Brisbane, Queensland 4000
Ph: (07) 3246 2300 Fax: (07) 3246 2490

© Australian National Training Authority, 1996
ISSN :1322-9648

## TABLE OF CONTENTS


**1- INTRODUCTION ..... 1**

1-1- Purpose of State Training Profiles ..... 1
1-2- 1997 State Training Profiles ..... 1
1-3- Directions for 1997 ..... 1
1-4- Future Commonwealth/State Planning Arrangements ..... 2
1-5- Key Features of the 1997 Profiles ..... 3
1-6- Overview of Report ..... 4

**2- RESOURCE PLANNING: THE CONTEXT ..... 5**

2-1- Vocational Education and Training in Context ..... 5
2-2- Data Issues and Key Performance Measures ..... 7
2-3- Other Developments for 1997 ..... 8

**3- NATIONAL STRATEGIC DIRECTIONS ..... 9**

3-1- ...Delivers more apprenticeship and traineeship training ..... 9
3-2- ...Is responsive to and accessible by small and medium enterprises ..... 10
3-3- ...Fosters labour mobility throughout the Australian economy ..... 10
3-4- ...Gives business a key role in leadership ..... 11
3-5- ...Has devolved administrative and delivery mechanisms ..... 12
3-6- ...Is more efficient through the use of flexible and competitive delivery ..... 13
3-7- ...Has regard to the principles of access and equity ..... 14
3-8- The next *National Strategy* ..... 15

**4- 1997 PLANNED ACTIVITY ..... 17**

4-1- Planned Activity Changes 1995-1997 ..... 17
4-2- Planned Activity in 1997 ..... 17
4-3- Relative costs and relative effort ..... 18
4-4- Distribution between Training Areas ..... 20
4-5- Distribution between Occupational Levels ..... 23
4-6- Apprenticeships and Traineeships ..... 25
4-7- Language, literacy and numeracy ..... 26
4-8- Interstate Co-operative Grants ..... 27
4-9- National Projects ..... 28
4-10- Infrastructure Developments ..... 28

**5- FUNDING ARRANGEMENTS ..... 33**

5-1- Funding arrangements for 1997 ..... 33
5-2- Approval of Profiles ..... 33
5-3- Infrastructure funding for 1997 ..... 33
5-4- Total Funding Outcomes for 1997 ..... 35

**6- RECOMMENDATIONS ..... 37**

6-1- 1997 Training Profiles ..... 37
6-2- Recurrent funding for States and Territories ..... 37
6-3- Infrastructure funding ..... 38

**Appendix A: Maintenance of Effort.....39**

**Appendix B: Activity by State/Territory.....57**

**Appendix C: 19 x 4 National Matrix.....58**

## LIST OF TABLES

Table 2-1: Employment Distribution by Age and Industry, May 1995 .....6

Table 3-1: Proportion of VET Students, VET Graduates and Population in each Client Group, 1995 (Age 15-64) .....14

Table 4-1: Growth in VET Activity 1994 to 1997 ('000 Hours).....17

Table 4-2: Cost per Annual Hour Curriculum for Total Government Funded Activity 1995 and Commonwealth Growth Funded Activity, 1996 and 1997 ($, unweighted) .....18

Table 4-3: 1995 Population, Activity and Expenditure Share by State/Territory (Per cent).....19

Table 4-4: Total Government Activity for 1996 and 1997 by Broad Training Area .....20

Table 4-5: Key National Shifts in Activity Between 1996 Revised Estimates and 1997 Projected Activity (AHC '000s) .....21

Table 4-6: Total Expansion of Training Provision State by State.....23

Table 4-7: Total Government Funded Activity 1997.....24

Table 4-8: National Shifts in Activity (AHC '000s) Between 1996 and 1997 (by Occupational Level) .....24

Table 4-9: Shifts in Activity (AHC) Which have Occurred Outside the Use of Commonwealth Growth Funds (by Occupational Level).....25

Table 4-10: Apprentice and Trainee Commencement Projections .....26

Table 5-1: Summary of Planned Expenditure for 1997 ($'000) .....35

Table 6-1: Allocation of Commonwealth Recurrent funding for 1997 ($).....37

Table 6-2: Allocation of Commonwealth sourced Infrastructure Funding for 1997 ($m).....38

## LIST OF FIGURES

Figure 2-1: Forecast Employment and Output Growth by Industry.....6

Figure 4-1: 1997 Government Funded Hours per 1000 of Population .....19

Figure 4-2: Apprentices in training and traineeship commencements as a share of total TAFE students, 1984-96 (Per cent).....26

# 1 Introduction

***Directions and Resource Allocations for 1997*** **provides the Authority's analysis of the 1997 State Training Profiles and includes recommendations to the Ministerial Council on resource allocations. It also highlights the latest developments in national strategic directions and priorities.**

## 1.1 Purpose of State Training Profiles

Under the National Vocational Education and Training System Agreement (also referred to as the ANTA Agreement), State and Territory Training Profiles, together with the *National Strategy*, are the key planning tools of the national vocational education and training (VET) system.

Training Profiles were intended to establish a single and comprehensive plan for the provision and support of VET in the States and Territories based on directions in the *National Strategy* and priorities set by the Ministerial Council (MINCO). They cover all activity embraced by the ANTA Agreement.

As well as a planning document, Training Profiles are a resource document. They form the basis for the allocation of Commonwealth funding under the ANTA Agreement, and they provide an outline of training activity for which Commonwealth and State/Territory funds are applied.

## 1.2 1997 State Training Profiles

**The close of a two year cycle**

The State Training Profile guidelines for 1996 were approved by Ministers as a two year document, with 1997 Profiles intended to 'close off' the cycle. In an update of the Guidelines, States and Territories were asked to address the following developments since the original guidelines were issued:

- updating the planning framework where necessary
- addressing national industry priorities as set out in the *Guide to Training Priorities of National Industry Training Advisory Bodies 1995-1997*
- providing a more comprehensive picture of competitive training arrangements, identifying allocations where possible, and
- enhancing information provided on traineeships where possible.

## 1.3 Directions for 1997

At their July 1996 meeting, Ministers agreed on directions for 1997 as key elements of the national strategic directions including:

- delivers more apprenticeship and traineeship training
- is responsive to and accessible by small and medium enterprises

- fosters labour mobility throughout the Australian economy
- gives business a key role in leadership and provides training relevant to business
- has devolved administrative and delivery mechanisms to ensure responsiveness to clients
- is more efficient through the use of flexible and competitive delivery arrangements, and
- has regard to the principles of access and equity.

While noting that planning arrangements for 1997 were well advanced, Ministers agreed that the 1997 Profiles would accommodate the new strategic directions. As a result, the initiatives detailed by States and Territories have been mapped against the new strategic directions, which now form the framework for Chapter 3 of this report.

## 1-4- Future Commonwealth/State Planning Arrangements

**Arrangements for 1998**

In response to feedback from key parties on the planning process and arising specifically from the review of the ANTA Agreement, new business arrangements are being developed for implementation in 1998.

The MINCO submission to Council of Australian Governments (COAG) on the Review of the ANTA Agreement outlines proposed planning and accountability arrangements for the VET system, centred around:

- a *National Strategy*
- annual national priorities
- State/Territory planning arrangements within the national response to annual national priorities and the *National Strategy*, and
- an *Annual National Report*.

The main focus of the new arrangements will be the annual national priorities and the State/Territory planning arrangements. The new arrangements will involve a shift from the current emphasis on process and detail to a clear focus on strategy, policy development and specific outcomes. These arrangements will more appropriately align accountabilities for the Commonwealth, ANTA, States and Territories in terms of their roles in the national system. Following are relevant extracts from the submission to COAG:

**Annual National Priorities**

A national priorities document will be prepared that provides an annual statement of agreed national priorities based on the *National Strategy*. This document will include agreed outputs/outcomes, targets and performance standards. The priorities document will be developed by ANTA, in consultation with the Commonwealth, States and Territories and key industry parties, for consideration and approval by MINCO.

**State/Territory planning arrangements within the national response to annual national priorities and the *National Strategy***

Within the national planning arrangements the content of State/Territory VET planning documents will be a matter for each individual State/Territory to determine. There will, however, be a requirement for States/Territories to respond to the agreed annual national priorities and to report on progress against the *National Strategy* on an annual basis.

The response will include an activity table that shows the distribution of training effort by industry and level of training. State/Territory responses will include an agreed use of AVETMIS Standards.

## 1-5- Key Features of the 1997 Profiles

The 1997 Profiles build on those of previous years, and show further significant improvements in State and Territory planning processes, particularly in terms of industry and client input into training and resource allocation.

**Increasing provision of training is a major aspect of the ANTA Agreement**

Increasing the provision of relevant vocational education and training was a major motivation for the development of the ANTA Agreement. A significant expansion of the VET system has followed. In 1997, activity funded under the ANTA Agreement is expected to reach 248.8 million Annual Hours Curriculum (AHC). This represents an increase of more than 41 million AHC since the beginning of 1994. Of this increase, 33.7 million AHC are attributable to Commonwealth growth funds.

**In 1997, total government funded training activity will increase by an estimated 9.5 million AHC or 55,000 additional enrolments**

In 1997 alone, total government funded training activity will increase by an estimated 9.5 million AHC, or 55,000 additional enrolments. Of the increase in AHC, approximately 7.1 million can be attributed to Commonwealth growth funding and 2.4 million to State/Territory growth or efficiency.

In 1997, all States and Territories have continued their commitment to expanding the training market. According to State and Territory advice, more than $153m will be set aside in 1997 for the purchase of places through contestable funding processes, an increase of more than 40 per cent over 1996. User choice arrangements will continue to be piloted in 1997 with an emphasis on the procedures and policies needed for full implementation by January 1998.

**MAATS will increase entry level training opportunities**

States and Territories have also made a commitment, in the context of the Modern Australian Apprenticeship and Traineeship System (MAATS), to increasing opportunities for young people to take up structured entry level training. This will mean the expansion of apprenticeships and traineeships into new areas, structured training that includes an employment element into higher levels, and training opportunities for school students. MAATS will also expand Group Training arrangements and simplify regulatory systems.

## 1-6- Overview of Report

Chapter 2, *Resource Planning: The Context*, examines some of the recent economic and labour market data and performance measurement issues.

Chapter 3, *National Strategic Directions*, details how the VET system is responding to the Ministerial endorsed strategies for 1997.

Chapter 4, *1997 Planned Activity*, explores the distribution of activity by States and Territories in 1997 and major funding initiatives.

Chapter 5, *Funding Arrangements*, presents the Authority's advice on funding for 1997 as it relates to the 1997 Training Profiles, and recurrent and infrastructure funding allocations.

Chapter 6, *Recommendations*, contains the Authority's recommendations for endorsement by Ministers.

# 2- Resource Planning: The Context

**This chapter is intended to set the context for resource planning by summarising the economic and labour market environment in which 1997 State and Territory Profiles will operate. It also provides information on performance measurement, data issues and other policy developments for 1997.**

## 2-1- Vocational Education and Training in Context

**Economic outlook for 1996-97**

The Commonwealth Government forecasts that in 1996-97:

- GDP will rise by 3.5 per cent
- inflation, as measured by the Consumer Price Index, will rise by 2.0 per cent
- average earnings will rise by 5.0 per cent
- employment will rise by an average of 1.5 per cent over the year to the June quarter 1997, and
- the unemployment rate will remain stable at 8.5 per cent year average in 1996-97.

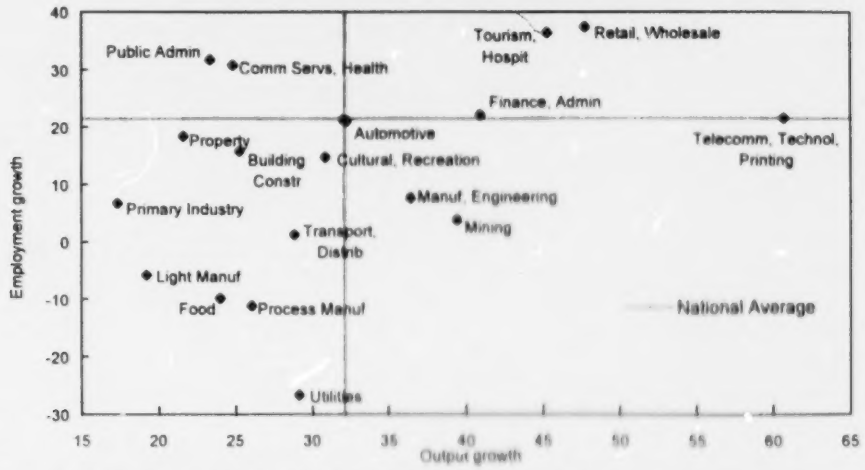
As well as economic and growth factors, Profile planning will need to take account of the following general, but significant, trends in the labour market and the economy:

- growth in the labour market is increasingly in skilled part time employment
- technological changes affect the skills composition of existing jobs
- skill shortages vary with economic cycles and industry susceptibility
- people increasingly need skills for changing occupations and industries, and
- business must respond to international competitive pressures.

Employment and Output growth vary by industry (see Figure 2-1). While output and employment growth vary significantly between States and Territories, national projections to 2001-02 suggest that *Retail, wholesale & associated services*, *Tourism and hospitality*, *Finance & administration* industries will have above average growth in Output and Employment.

Employment (but not Output) growth will also be above average in *Public administration* and *Community services and health*. Below average growth in Output and Employment is expected in the *Cultural & recreation*, *Building & construction*, *Property services*, *Primary*, *Transport and distribution*, *Light manufacturing*, *Food*, *Process manufacturing* and *Utilities* groups.

**Figure 2-1: Forecast Employment and Output Growth by Industry**
**Total Growth 1993-94 to 2001-02 (Per Cent)**




Source: Centre of Policy Studies (CoPS), Monash with SYNTEC Economic Services, August 1995.

**Major shifts in employment by industry and age**

Table 2-1 (below) shows in which industries, and at what ages, persons in the Australian workforce are employed. This data is important because the national VET system is the major destination for school leavers and is the major supplier of skills for young persons entering the workforce.

**Table 2-1: Employment Distribution by Age and Industry, May 1995**
**(Per Cent)**

| ITAB Groupings | 15-19 | 20-24 | 15-64 |
|---|---|---|---|
| Cultural & recreation | 4.2 | 3.8 | 3.4 |
| Automotive | 4.5 | 4.8 | 3.9 |
| Building and construction | 5.0 | 8.0 | 7.2 |
| Telecomm., postal services, information tech. & printing | 2.0 | 4.0 | 4.2 |
| Community services and health | 3.6 | 8.6 | 9.8 |
| Finance & administration | 4.1 | 11.4 | 9.1 |
| Food | 2.1 | 1.6 | 2.2 |
| Light manufacturing | 2.9 | 2.9 | 2.7 |
| Manufacturing, engineering & related services | 3.3 | 3.7 | 3.8 |
| Mining | 0.3 | 1.2 | 1.3 |
| Primary | 3.7 | 3.4 | 5.1 |
| Process manufacturing | 1.6 | 2.2 | 2.5 |
| Property services | 2.1 | 3.1 | 3.5 |
| Public administration | 1.1 | 3.5 | 5.4 |
| Retail, wholesale & associated services | 48.0 | 21.2 | 18.5 |
| Tourism and hospitality | 9.1 | 8.4 | 5.2 |
| Transport and distribution | 0.9 | 3.3 | 4.6 |
| Utilities | 0.1 | 0.6 | 0.9 |
| Unattached to any ITAB | 1.6 | 4.3 | 7.0 |
| All Industry groups | 100.0 | 100.0 | 100.0 |

Source: ABS *Transition from Education to Work Australia*, (Cat No. 6227.0), May 1995.

Many young people are concentrated in employment areas that they will vacate as they grow older; the *Retail, wholesale & associated services* group employs 48 per cent of 15-19 year olds and only 21 per cent of 20-24 year olds. It is apparent from Table 2-1 that many workers are entering occupations that have limited opportunities for structured entry level training, reinforcing the rationale behind the Modern Australian Apprenticeship and Traineeship

System (MAATS). One of the aims of MAATS is to address the imbalance between work and training opportunities, and expand structured entry level training arrangements into industries and occupations not traditionally catered for.

## 2-2- Data Issues and Key Performance Measures

The Authority has raised the issue of difficulties with VET data on a number of occasions, initially in the report *Directions and Resource Allocations for 1994*.

**Steps taken to improve data collection**

A number of issues arose in the preparation of the 1994 *Annual National Report* concerning the timeliness and reliability of data. Ministers asked ANTA to address these issues, a task that resulted in the Boston Consulting Group's report on *Performance Measurement in VET* (December 1995).

The Boston Consulting Group report recommended the appointment of an 'independent adjustor' to produce valid data capable of assessing system performance as an interim step towards:

- developing Key Performance Measures for the long term, and
- improving the Management Information System to the point where it provides valid and reliable data.

***Benchmarking VET* report**

The independent adjustor produced the report *Benchmarking VET: The Performance of the VET Sector in 1995*, which has been accepted by Ministers as Volume 3 of the 1995 *Annual National Report*.

The newly constituted Performance Review Committee, comprising business representatives from State Training Authorities, will be responsible for producing the 1996 benchmarking report. An independent adjustor will be contracted to undertake the work. This is envisaged to be the last year that 'adjustments' will be necessary since the Management Information System should be sufficiently robust by 1998 (for reporting 1997 data) to enable unadjusted data to be reported.

To further improve data collection and quality there are a number of technical issues that will need to be resolved over the next 12 months, including:

- improving data collection methods to reduce levels of 'not known' responses for some client groups and States and Territories
- refining options for how completion rates should be calculated
- achieving consistency in the identification and treatment of non-verified enrolments, recognition of prior learning and module only based activity, and
- undertaking more detailed analysis of cost differentials between jurisdictions.

The vehicle for addressing these issues will be the newly constituted National Advisory Committee on Vocational Education and Training Statistics (NACVETS).

## 2-3- Other Developments for 1997

New government initiatives that will significantly contribute to system development in 1997 and impact on resource planning include the Modern Australian Apprenticeship and Traineeship System (MAATS), User Choice implementation and VET in schools program.

**MAATS**

The implementation of MAATS will see an increase in employment based training, with legislative and administrative changes making structured training a more attractive proposition in traditional industries and a new option in occupations and industries where it has not existed in the past.

MAATS will be underpinned by an enhanced National Training Framework and national training packages that will allow a more flexible range of training products. This will be supported by a system of user choice, as outlined below, which will give employers and people in training greater capacity to determine who delivers their training, its timing and means of delivery.

**User choice**

User choice - the flow of public funds to individual training providers reflecting client choice of training provider - will come into effect from 1 January 1998 for programs that fall under MAATS. A policy statement on user choice was endorsed by Ministers on 20 September 1996. Each State and Territory will be responsible for the implementation of the policy statement. The emphasis in 1997 will be on developing the procedures, policies and administrative arrangements needed for full implementation.

States and Territories will continue to pilot and trial user choice as needed, and performance standards will be agreed for its implementation. The performance standards will cover marketing, information, choice, funding and accountability, and States and Territories will report on progress towards these performance standards in June 1997.

**VET in schools**

$20 million, in each of the next four years, has been allocated to enhance VET program development, course advice and support materials in schools, and integrate secondary certificates with VET courses. Guidelines and funding principles are being developed, in consultation with the MCEETYA Taskforce on VET in schools and ANTA CEOs, and will be considered by MINCO.

# 3 - National Strategic Directions

**In July 1996 The Ministerial Council adopted seven strategic directions for the national VET system in 1997. This chapter provides a national overview of the way in which these strategic directions will be furthered by initiatives identified in the 1997 Profiles.**

## 3 - 1 - ...Delivers more apprenticeship and traineeship training

**MAATS will increase the range of structured training options available**

Ministers have made a commitment, in the context of MAATS, to increasing opportunities for young people to take up structured entry level training. Meeting this objective will expand employment and career opportunities as well as enhancing the national skills pool. Expansion will be achieved in a number of ways including:

- introducing apprenticeships and traineeships into new areas, including new areas of industries previously under-serviced by vocational education and training
- including structured training leading to outcomes at levels 5 and 6 of the Australian Qualifications Framework where programs involve an employment element
- allocating additional resources to Group Training Companies to provide for the expansion of training opportunities, and the promotion of group training in industry and the community
- encouraging more entry level training options while students are still at school, and
- simplifying regulatory arrangements as an incentive for more enterprises to participate in entry level training.

**Continued growth in training commencements**

Combined apprenticeship and traineeship commencements are expected to increase by 44 per cent from 1995 to 1997, with full on the job traineeships accounting for much of this growth. State and Territory Profiles show that the number should reach 91,075 in 1997.

## 3-2- ...Is responsive to and accessible by small and medium enterprises

**Building active partnerships with small business**

State Training Authorities together with State and National ITABs, ANTA, Group Training Australia and individual group training companies will continue to build active partnerships with small and medium sized enterprises. A recent employer survey reported that 46 per cent of employers used TAFE as a training provider and 53 per cent had TAFE contact within the last 12 months[1].

**Quarantined funds**

States and Territories have included representatives of small and medium sized enterprises in their planning processes and in consultations concerning policy issues. In some States and Territories, funds have been specifically quarantined to meet the needs of small business.

**Small Business Strategy and NETTFORCE traineeships**

The Authority will finalise a Small Business Strategy for VET to assist the sector to move outside existing approaches and embed a response to small business culture in the provision of services. The strategy will seek to increase effectiveness of VET delivery and increase uptake of training by small business. NETTFORCE companies have already been successful in promoting traineeships to small business through on and off the job arrangements.

Further development by ANTA and the States and Territories in 1997 of arrangements for customisation, recognition of prior learning, flexible delivery and user choice will combine to improve the VET sector's capacity to meet the needs of small and medium sized enterprises.

## 3-3- ...Fosters labour mobility throughout the Australian economy

The implementation of the National Training Framework will ensure that the skills and qualifications that apprentices, trainees and other VET students acquire are portable, thereby supporting labour mobility.

The 1997 Training Profiles highlight a range of initiatives aimed at supporting the development of the National Training Framework. Such initiatives include:

- utilising industry developed or endorsed national competency standards
- ensuring consistency and parity in registration of provider processes and the devolution of accreditation processes where appropriate quality assurance arrangements are in place
- expanding assessor training to improve the availability of qualified assessors and the quality of assessment conducted for national recognition

---

[1] *National Employer Satisfaction Survey*, as reported in *Annual National Report*, 1995 (*Volume Three*), ANTA.

- developing industry based assessment that will lead to the awarding of a qualification under the Australian Qualifications Framework (AQF), and
- facilitating cross-sectoral studies recognition.

## 3-4- ...Gives business a key role in leadership and provides training relevant to business

### 3-4-1- Resource Distribution

**Business leadership through consultation, representation, flexible responses and resource agreements**

All States and Territories now have well established planning processes that include consultation with a wide range of industry (including business) representatives and other stakeholders. Industry is also represented in the State Training Authorities and in associated advisory bodies at various levels.

Industry and business influence on resource distribution was evident in the development of both the 1996 and 1997 Profiles, with projected increases in training activity correlating with identified training priorities.

Industry advice is used to influence resource distribution by ensuring that funding is directed towards programs that best meet industry needs. Greater provider flexibility has also meant that resources can be used in a variety of ways in order to respond to industry priorities. Funds are directed not only to fully government funded programs but to programs resourced through joint agreements with industry.

The extent to which graduates of training courses achieve employment in their intended industry or occupation is one measure of the extent to which the VET sector is successful in meeting industry requirements. A survey of graduate outcomes indicated that 73 per cent of employed 1994 graduates considered their training highly relevant or of some relevance to their job[2].

### 3-4-2- The Frontline Management Initiative

**Training and recognition for active managers**

The Frontline Management Initiative (FMI) features:

- a competency based assessment framework
- three nationally recognised credentials based on this assessment
- quality assurance of the competency standards, the assessment strategy, and providers
- competitively tendered delivery
- flexible and workplace delivery, and
- recognition of providers with proven capabilities.

---

[2] The *Graduate Outcomes (TAFE) Australia* 1995 survey, as reported in *Annual National Report*, 1995 (*Volume Three*), ANTA.

**Work based delivery in an open training market**

State Training Profiles reveal support by States and Territories for the FMI through:

- the quarantining of realistic levels of student contact hours
- uptake and integration of the Frontline Management Competency Standards, and
- development, delivery and provision of training services and coursework based upon the Standards.

## 3-5- ...Has devolved administrative and delivery mechanisms to ensure responsiveness to clients

**Steps to more efficient administration and delivery, devolution and streamlining of processes**

The 1997 Training Profiles show a range of initiatives that will allow approved organisations to self manage accreditation, registration and recognition of prior learning processes. Applicants will be assessed using best practice and quality assurance mechanisms.

Devolution of responsibility to public training providers is already well advanced in Victoria and significant moves in this direction have also been made in other States and Territories. As a greater share of activity in all States and Territories is funded on a 'contestable' basis, and institutes develop fee for service activity, public providers are becoming more conscious of 'demand side' forces in the VET market.

Responsiveness to clients will be aided by:

- streamlining provider registration processes in all States and Territories
- attuning resource allocation to industry and community needs
- implementation of national client service standards
- changes to legislation in most States and Territories on declaration of vocation and associated accreditation processes
- development and distribution of user friendly guidelines, and
- provision for flexible assessment arrangements that lead to the awarding of a part or full qualification under the Australian Qualifications Framework.

**Fee for service activity**

In addition to the work being undertaken to improve system arrangements, a number of initiatives at the provider level are aimed at ensuring responsiveness to clients. It is estimated that in 1997 public providers will generate approximately 37,258,000 AHC in fee for service activity in response to client demand.

## 3-6- ...Is more efficient through the use of flexible and competitive delivery arrangements

### 3-6-1- Flexible Delivery

Flexible Delivery is being recognised as an important strategy in training market development. In most 1997 Training Profiles, flexible delivery is specifically identified as a State or industry priority. Strategies identified in the 1997 Profiles include on-site delivery, communication networks, open learning centres and introduction of multi-media technologies.

**Tools include on site delivery, networks, open learning centres and multi media technology**

Other initiatives included are:

- allocation of infrastructure and capital funding to improve flexible delivery capacity by public providers
- flexible timetabling in provider operations, and
- development of short courses and specific modules to be delivered on the job.

The Final Report of the National Flexible Delivery Taskforce was produced in May 1996 and implementation of their recommendations through co-operation between Commonwealth, State and Territory governments will promote more flexible and client centred approaches to training in 1997.

These initiatives will result in training being offered in a range of modes and at times that meet client needs. In addition regional and remote locations will gain improved access to vocational education and training.

### 3-6-2- Training Market

**Competitively determined funding**

All States and Territories are committed to promoting an open training market in 1997, and plan to increase the amount of funding allocated to competitive processes. It is estimated that, in addition to the $7 million provided for User Choice pilots in 1996, approximately $108m was set aside for allocation on a contestable basis. Contestable funding mechanisms include the purchase of provision through open tender, the negotiation of preferred supplier arrangements, user choice arrangements and joint funding agreements. It is expected that this amount will increase to at least $153m in 1997. These figures exclude funds for the provision of traineeship off the job training, which may also be allocated on a contestable basis.

**Expansion of user choice**

All States and Territories participated in the piloting of user choice funding activities in 1996, and plans exist to expand user choice activities beyond completion of pilot projects. User choice arrangements will be a significant aspect of the implementation of MAATS. During 1997 work will be undertaken at a national level, with States and Territories, to develop guidelines and procedures for full implementation in 1998.

It is likely that user choice arrangements available to clients will stimulate increased demand for training.

## 3-7- ...Has regard to the principles of access and equity

In preparing Profiles for 1996 and 1997, States were asked to pay particular attention to the needs of Aboriginal and Torres Strait Islanders and women. Table 3-1 below shows there is still scope for improvement in equity of participation and/or outcomes for some client groups.

**Table 3-1: Proportion of VET Students, VET Graduates and Population in each Client Group, 1995 (Age 15-64)**

| | Share of Students[2] | Share of Graduates | Share of Population |
|---|---|---|---|
| Females | 46.6 | 54.7 | 49.5 |
| Aboriginal & Torres Strait Islanders | 2.7 | 1.3 | 1.5 |
| Non-English Speaking by Country of Birth | 16.9 | 15.7 | 15.8 |
| People with a Disability[1] | 4.0 | 5.8 | 15.0 |
| People outside Capital Cities | 40.0 | 39.1 | 35.5 |

Source: Students - Selected VET Statistics, 1995, NCVER

Graduates - Graduate Outcomes TAFE, Australia, ABS, 1995

Population - ABS 1995 (Females), 1994 (Aboriginal & Torres Strait Islanders, People outside Capital Cities), 1993 (Disabilities), 1991 (Non-English Speaking)

1. Since the incidence of Disability increases sharply with age, a more valid comparison is that of student figures with the population aged 15-24, where 10 per cent are reported having a disability.

2. Student proportions are estimates only, derived from persons who reported their client group status.

Access and equity in participation and attainment means more than matching population share, it demands careful analysis of the type, level and field of study undertaken. Qualitative outcomes of study should also be considered, such as employment in a relevant field and at an appropriate level. In-depth analysis often demonstrates that, for those client groups that have high levels of representation within the VET sector, the nature of this participation is often skewed towards lower level courses (that is, at the preparatory and operative levels).

States and Territories have adopted different strategies in response to access and equity issues within their systems. Several States and Territories have developed consolidated equity and access plans. Queensland has specified target levels for participation in the medium term and several other States and Territories will be addressing this issue during 1997.

**Access and Equity strategies towards 2000**

All States and Territories consult with peak bodies and representative groups when preparing their Profiles, and numerous initiatives have been undertaken in response to particular needs. Initiatives outlined in the 1997 Profiles include:

- development and maintenance of Diversity Management Plans by training providers
- provision of child care appropriate to indigenous peoples' cultures
- integration of language, literacy and numeracy competencies into pre-vocational training for client groups

- marketing strategies to encourage client group participation in non-traditional fields, and
- increasing flexible delivery options for people in rural and remote areas.

In 1996 capital funds were committed for development of training facilities managed by and for Aboriginal and Torres Strait Islanders. As a result projects are continuing throughout 1997 and $5m has been set aside for support of these developments (see Chapter 4-10).

In 1996, the ANTA Board established a Project Steering Committee, chaired by Dr Gregor Ramsey, to develop advice on access and equity strategies for incorporation into the *National Strategy* for Vocational Education and Training. The Project Committee produced an *Issues Paper* (April 1996) and conducted consultations with community, industry, and government stakeholders, by way of public meetings and focus group discussions in each State and Territory. This process resulted in a *Consultation Paper* (June 1996), also distributed widely for comment.

**Goal setting for success in access and equity**

The final report of the Project Steering Committee, titled *Equity 2001*[3], recommends real participation and attainment targets for client groups for the year 2001. Recommendations from this project will be incorporated into the next *National Strategy* for vocational education and training.

## 3-8- The next *National Strategy*

**_National Strategy_ re-development in early 1997**

In early 1997, the ANTA Board will be re-developing the *National Strategy* for VET for the period leading to 2001, for consideration by the Ministerial Council.

As part of an extensive consultation process on the *National Strategy*'s re-development, the ANTA Chair, Stuart Hornery, will convene a reference group comprising representatives of key vocational education and training stakeholders. The Strategy will set out a vision for vocational education and training, with goals and outcomes to be achieved over the life of the Strategy (1997 to 2001), and outcomes beyond then.

The strategic directions for 1997 agreed by Ministers will be incorporated into the *National Strategy*.

---

[3] See *Equity 2001: Strategies to Achieve Access and Equity in VET for the New Millennium*, ANTA, 1996.

# 4- 1997 Planned Activity

**Each year, each State and Territory training authority develops a training profile, based on the *National Strategy*, as a plan for the provision and support of vocational education and training for the year ahead. This chapter summarises the amount of training activity to be provided in 1997 and how it will be distributed, compared to previous years. Key infrastructure developments in 1997 are also summarised.**

## 4-1- Planned Activity Changes 1995-1997

**The VET system continues to grow**

Planned activity for 1997 and a comparison of this with activity levels from 1994 is shown in Table 4-1. The table reveals that the national VET system has grown at a rate of approximately 11 million hours or 5 per cent per year.

**Table 4-1: Growth in VET Activity 1994 to 1997 ('000 Hours)**

| Funding | 1994[1] | 1995[1] | 1996[2] | 1997[2] |
|---|---|---|---|---|
| Commonwealth growth[3] | | 8,735 | 8,696 | 7,058 |
| State growth/productivity | | 2,100 | 3,454 | 2,436 |
| Excess over planned | | 1,619 | | |
| Total government funded | 214,712 | 227,166 | 239,316 | 248,810 |

1. Refers to audited data within the ANTA Agreement scope and boundary and takes into account rebases due to data system improvements.

2. Refers to revised estimates.

3. Total growth funds available are $70m in each of 1995 and 1996 and $62m in 1997.

Source: 1994 and 1995 NCVER Audit Verification Reports; 1995, 1996 and 1997 State/Territory Training Profiles.

## 4-2- Planned Activity in 1997

**Training provision will increase by 9.5 million hours and 55,000 enrolments in 1997**

Overall, for 1997 the system will deliver approximately 249 million Annual Hours Curriculum (AHC), equating to around 1.3 million enrolments. The increase of 9.5 million contact hours from 1996 in turn represents about 55,000 extra student places. Commonwealth growth funds will provide approximately 7.1 million AHC and 43,000 enrolments of the total growth.

Expected changes to training activity levels between 1996 and 1997 for each State and Territory, in terms of both hours and enrolments, are shown in Appendix B.

## 4-3- Relative costs and relative effort

**Benchmarking costs of growth activity is now possible**

With the completion of the report *Benchmarking VET: The Performance of the Vocational Education and Training Sector in 1995*, reliable and comparable unit cost data exists for the first time for each State and Territory. This data can be used to provide a benchmark for future years. Table 4-2 shows average unit costs per hour of delivery for total government funded activity in 1995. These are compared with the average unit costs of Commonwealth growth funded activity in 1996 and 1997 for each State and Territory and Australia.

**Table 4-2: Cost per Annual Hour Curriculum for Total Government Funded Activity 1995 and Commonwealth Growth Funded Activity, 1996 and 1997 ($, unweighted)**

| | 1995 Total [1] | 1996 Growth | 1997 Growth |
|---|---|---|---|
| NSW | 10.4 | 8.4 | 8.7 |
| VIC | 8.5 | 7.3 | 7.6 |
| QLD | 10.7 | 8.2 | 9.9 |
| SA | 12.1 | 8.7 | 9.8 |
| WA | 11.8 | 10.1 | 9.9 |
| TAS | 15.5 | 8.9 | 9.0 |
| NT | 20.2 | 10.6 | 10.5 |
| ACT | 15.0 | 8.4 | 8.2 |
| AUS | 10.5 | 8.2 | 8.8 |

1. Data from the *Annual National Report* 1995 (*Volume Three*), which is based on interim audit figures and subject to finalisation in some cases.

Source: *Annual National Report* 1995 (*Volume Three*), 1996 and 1997 State/Territory Training Profiles

The table shows that 1997 growth unit cost is lower than 1995 total unit cost for every State and Territory, a result the Authority negotiates each year. The cost of 1997 growth funded activity for each State and Territory is also below or equal to the 1995 average for Australia ($10.50 per AHC). The estimated national average cost per AHC for Commonwealth funded growth activity in 1997 is $8.80. This compares with a figure of $8.20 in 1996 and the 1995 overall cost for the total government funded system ($10.50).

**Potential for significant efficiency gains appears to exist**

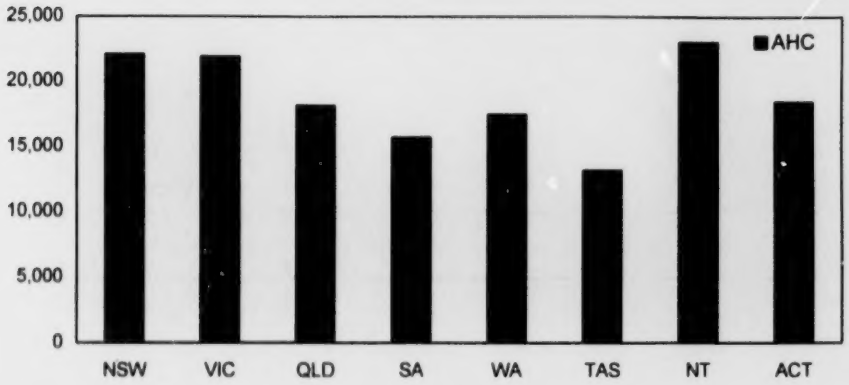
Purchase of growth at lower average costs suggests that overall costs are reducing, although consistent data to report this is not yet available. Management by States and Territories of a movement towards lowest average cost offers potential for significant dividends. For example, if all of the 1997 Commonwealth growth funds ($62m) were used to purchase training activity at the lowest average overall benchmark cost (Victoria's average overall cost in 1995 of $8.50), then 1997 growth activity would total 7.294 million hours. This would be 236,000 AHC more than the 7.058 million AHC presently planned.

The Authority raised the issue of relative effort in the report on *Directions and Resource Allocations for 1996*. Ministers noted that the Authority intended to develop its analysis of comparative effort, in the context of the 1997 Profiles,

with a view to advising where certain States and Territories may need to lift levels of activity in accordance with the ANTA Agreement.

Figure 4-1 shows estimated 1997 Government funded AHC per 1000 of population aged 15-64 by State/Territory and demonstrates their relative effort.

**Figure 4-1: 1997 Government Funded Hours per 1000 of Population (Aged 15-64)**




Note: Uses estimates of 1997 government funded activity from State/Territory Training Profiles.

Source: 1997 State/Territory Training Profiles; *Projections of the Populations of Australia: States and Territories, 1995-2051*, ABS.

An examination of the data provided by the States and Territories on training expenditure and expected activity in 1995 also provides insights into differences in the relative effort of States and Territories. Table 4-3 provides a summary of this information.

**Table 4-3: 1995 Population, Activity and Expenditure Share by State/Territory (Per cent)**

| | Population Share[1] | Adjusted AHC | Total Funds Expenditure[2] |
|---|---|---|---|
| NSW | 33.70 | 39.28 | 39.18 |
| VIC | 25.01 | 26.98 | 21.97 |
| QLD | 18.19 | 14.15 | 14.53 |
| SA | 8.07 | 6.60 | 7.65 |
| WA | 9.69 | 8.48 | 9.56 |
| TAS | 2.56 | 1.69 | 2.50 |
| NT | 1.00 | 1.12 | 2.17 |
| ACT | 1.80 | 1.70 | 2.45 |
| TOTAL | 100.00 | 100.00 | 100.00 |

1. 15 to 64 year old population.

2. Includes all Commonwealth and State vocational education and training funds excluding expenditure on Capital, Interstate Co-operative Projects and National Projects.

Source: *Annual National Report* 1995 (*Volume Three*), *Estimated Resident Population*, ABS, 1995; NCVER Audit Verification Reports, 1995.

**Analysis of relative cost and relative effort will continue**

Given evidence that some States and Territories are underachieving in relative terms, the Authority is concerned that a number of the 1997 Profiles do not anticipate any growth in activity funded by base funds as opposed to activity funded by growth funds. Only Queensland and the Northern Territory forecast a considerable planned increase in activity in 1997, over and above Commonwealth growth funded activity.

The Authority considers that the VET system needs to continue its work on the issue of relative cost and relative effort. The Performance Review Committee has been established as the vehicle for this, as well as the pursuit of other performance measurement issues. It is expected that advice of this Committee will be used in the context of resource allocations for 1998.

## 4-4- Distribution between Training Areas

Training provision will progressively shift into growth areas of the economy in 1997. As illustrated in Table 4-4, the largest increase in training provision will occur in the services sector, which will absorb 41.6 per cent of the growth in AHC and 29.8 per cent of the growth in enrolments.

**Table 4-4: Total Government Activity for 1996 and 1997 by Broad Training Area**

| | 1996 Revised | | 1997 Projected | | Change | |
|---|---|---|---|---|---|---|
| **AHC ('000)** | | Per cent | | Per cent | | % of Overall Increase |
| Manuf, Rural & Constr | 81,725 | 34 1 | 84,566 | 34 0 | 2,841 | 29 9 |
| Services | 62,541 | 26 1 | 66,495 | 26 7 | 3,953 | 41 6 |
| Business | 54,381 | 22 7 | 55,758 | 22 4 | 1,377 | 14 5 |
| General Education | 40,046 | 16 7 | 41,212 | 16 6 | 1,166 | 12 3 |
| Unallocated | 622 | 0 3 | 779 | 0 3 | 157 | 1 6 |
| **Total** | **239,316** | **100.0** | **248,810** | **100.0** | **9,494** | **100.0** |
| **Enrolments** | | Per cent | | Per cent | | % of Overall Increase |
| Manuf, Rural & Constr | 416,849 | 33 2 | 433,178 | 33 0 | 16,329 | 29 7 |
| Services | 250,476 | 19 9 | 266,857 | 20 3 | 16,381 | 29 8 |
| Business | 315,816 | 25 1 | 325,945 | 24 8 | 10,130 | 18 4 |
| General Education | 272,068 | 21 6 | 283,499 | 21 6 | 11,431 | 20 8 |
| Unallocated | 1950 | 0 2 | 2,597 | 0 2 | 647 | 1 2 |
| **Total** | **1,257,159** | **100.0** | **1,312,076** | **100.0** | **54,917** | **100.0** |

Source: 1997 State/Territory Training Profiles.

Notes: Broad training areas are categorised according to ASCO classifications.

***Manufacturing, Rural and Construction*** includes *Automotive, Building and Construction, Food processing, Textile, Clothing, Footwear and Furnishings, Engineering and Mining, Primary Industry, Process Manufacturing, Utilities,* and *Science, Technical and Other.*

***Services*** includes *Arts, Entertainment, Sport and Recreation, Community Services, Health and Education, Finance, Banking and Insurance (including Property Services), Communications, Sales and Personal Services, Tourism and Hospitality;* and *Transport and Storage.*

***Business*** includes *Business and Clerical and Computing.*

***General*** refers to *General Education and Training.*

**National shifts in activity occur in all industry training areas**

Increases in activity will continue to occur nationally in all industry training areas. These shifts are outlined in Table 4-5 below.

Relatively large increases in provision will occur in areas that have not been major recipients of publicly funded VET in the past, including *Process Manufacturing* (20.6 per cent increase), *Food Processing* (16.1 per cent increase) and *Transport and Storage* (9.8 per cent increase).

Significant increases will also occur in areas that have previously comprised a large proportion of public VET provision and represent areas of economic expansion and unmet demand. For example, *Community Services, Health and Education, Tourism and Hospitality,* and *Engineering and Mining* will continue to record comparatively large increases in activity and will receive a relatively healthy proportion of the overall increase in activity.

**Table 4-5: Key National Shifts in Activity Between 1996 Revised Estimates and 1997 Projected Activity (AHC '000s)**

| Industry Training Area | 1996 Revised | 1997 Projected | Total Increase | Total Increase as % of 1996 Revised | % of Overall Increase |
|---|---|---|---|---|---|
| **Category A** | | | | | |
| Arts, Entert, Sports & Rec | 11,408 | 11,928 | 520 | 4.6 | 5.5 |
| Automotive | 8,221 | 8,576 | 355 | 4.3 | 3.7 |
| Building and Construction | 18,785 | 19,009 | 224 | 1.2 | 2.4 |
| Comm Services, Health & Ed | 20,910 | 22,382 | 1,471 | 7.0 | 15.5 |
| Finance, Banking & Insurance | 3,420 | 3,468 | 48 | 1.4 | 0.5 |
| Food Processing | 2,454 | 2,851 | 396 | 16.1 | 4.2 |
| TCF and Furnishings | 5,714 | 5,813 | 100 | 1.7 | 1.0 |
| Communications | 1,883 | 1,963 | 80 | 4.3 | 0.8 |
| Engineering and Mining | 15,654 | 16,607 | 952 | 6.1 | 10.0 |
| Primary Industry | 11,874 | 12,217 | 343 | 2.9 | 3.6 |
| Process Manufacturing | 397 | 479 | 82 | 20.6 | 0.9 |
| Sales and Personal Service | 6,527 | 6,752 | 225 | 3.4 | 2.4 |
| Tourism and Hospitality | 16,707 | 18,151 | 1,444 | 8.6 | 15.2 |
| Transport and Storage | 1,686 | 1,851 | 164 | 9.8 | 1.7 |
| Utilities | 11,898 | 12,145 | 247 | 2.1 | 2.6 |
| **Category B** | | | | | |
| Business and Clerical | 42,412 | 43,117 | 705 | 1.7 | 7.4 |
| Computing | 11,969 | 12,641 | 672 | 5.6 | 7.1 |
| Science, Technical and Other | 6,727 | 6,870 | 143 | 2.1 | 1.5 |
| **Category C** | | | | | |
| Gen Education and Training | 40,046 | 41,212 | 1,166 | 2.9 | 12.3 |
| Unallocated | 622 | 779 | 157 | 25.2 | 1.6 |
| **Total** | **239,316** | **248,810** | **9,494** | **4.0** | **100.0** |

Source: 1997 State/Territory Training Profiles.

Despite these shifts, the overall movement of activity across training areas, has been relatively minor. This movement can be an important indicator of the responsiveness of the VET system and evidence of whether it is demand driven or supply driven.

**National Shifts have occurred primarily through Commonwealth growth funds**

A preliminary analysis by ANTA on an individual State/Territory basis, assessing growth purchased through Commonwealth growth funds and shifts within the base activity, shows that the variation between activity cells has occurred primarily through Commonwealth growth funded activity.

It appears that base funds have not been utilised to the full extent to shift resources between different training areas to ensure that the system is responding to the demands of clients. The analysis also reveals variation in the extent of change in the base between individual States/Territories.

The Authority acknowledges that the movement of activity from one area to another reflects resourcing issues within the States and Territories. Nevertheless, if a demand-driven VET system is to be achieved, greater attention will need to be focussed on shifts within the base. On balance, the Authority's analysis indicates that most systems still exhibit a strong supply-side focus and delays in shifting effort to those industries offering most employment opportunities for young people.

The analysis also reveals that of the six industries expected to grow the most in employment terms over the next five to six years, two of those industries, *Finance, Banking and Insurance* and *Communications*, nationally appear to be receiving relatively low proportions of the overall VET training effort and collectively less than 1.5 per cent of the overall increase in activity planned between 1996 and 1997.

The Authority intends to discuss the results of this preliminary analysis with the States and Territories and undertake further analysis of planned versus actual activity through the Performance Review Committee.

**Activity shifts by industry vary between States and Territories**

Other variations also occur between States and Territories in relation to trends in VET provision. Table 4-6 shows the summary of the training areas that will expand significantly from 1996 to 1997.

**Table 4-6: Total Expansion of Training Provision State by State**

| | Training areas that will receive a significant proportion of the overall increase in activity in 1997 | Training areas that will expand significantly from their 1996 Base |
|---|---|---|
| New South Wales | • Community Services, Health and Education<br>• Business and Clerical<br>• Tourism and Hospitality<br>• Computing | • Process Manufacturing<br>• Computing |
| Victoria | • General Education and Training<br>• Community Services, Health and Education<br>• Tourism and Hospitality | • General Education and Training<br>• Sales and Personal Service |
| Queensland | • Community Services, Health and Education<br>• Tourism and Hospitality<br>• Business and Clerical | • Process Manufacturing<br>• Food Processing<br>• Sales and Personal Service |
| South Australia | • Community Services, Health and Education<br>• Primary Industry | • Transport and Storage<br>• Food Processing |
| Western Australia | • Engineering and Mining<br>• Computing<br>• Tourism and Hospitality | • Process Manufacturing<br>• Food Processing |
| Tasmania | • Engineering and Mining<br>• Tourism and Hospitality<br>• Sales and Personal Service | • Finance, Banking and Insurance<br>• Sales and Personal Service<br>• Arts, Entertainment, Sport and Recreation |
| Northern Territory | • Tourism and Hospitality<br>• General Education and Training<br>• Community Services, Health and Education | • Food Processing<br>• Tourism and Hospitality |
| Australian Capital Territory | • Arts, Entertainment, Sport and Recreation<br>• Tourism and Hospitality<br>• Primary Industry | • Arts, Entertainment, Sport and Recreation<br>• Primary Industry |

Source: 1997 State/Territory Training Profiles.

Note: The training areas in the right hand column are identified as those that have increased most significantly in the State/Territory as a proportion of their 1996 base. It should be remembered that some Training Areas, such as *Process Manufacturing* and *Food Processing* are increasing from a low base, which means the overall increase in their activity is more significant when comparing their 1997 total with 1996.

## 4-5- Distribution between Occupational Levels

VET provision is spread relatively evenly over the four occupational levels for 1997. This dispersion is illustrated in Table 4-7 below.

**Table 4-7: Total Government Funded Activity 1997 (by Occupational Level)**

| | AHC ('000) | | | | Enrolments | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | | Growth | | Total | | Growth | |
| | | % | | % | | % | | % |
| General/Unspecified | 46,287 | 18.6 | 1,372 | 19.4 | 351,027 | 26.8 | 12,710 | 29.6 |
| Operative/Clerical | 65,176 | 26.2 | 2,814 | 39.9 | 335,333 | 25.6 | 16,442 | 38.3 |
| Trades | 51,282 | 20.6 | 1,007 | 14.3 | 218,607 | 16.7 | 4,249 | 9.9 |
| Professional/Paraprof | 83,800 | 33.7 | 1,706 | 24.2 | 366,931 | 28.0 | 7,363 | 17.1 |
| Module Only Activity | 1,488 | 0.6 | 83 | 1.2 | 37,635 | 2.9 | 1,978 | 4.6 |
| Not yet allocated | 777 | 0.3 | 76 | 1.1 | 2,542 | 0.2 | 236 | 0.5 |
| Total | 248,810 | 100.0 | 7,058 | 100.0 | 1,312,076 | 100.0 | 42,977 | 100.0 |

Source: 1997 State/Territory Training Profiles.

**Activity will increase at all occupational levels**

As demonstrated in Table 4-8 VET provision will also increase at all occupational levels in 1997. The most significant of these increases (at 6.7 per cent) will occur at the Operative level.

**Table 4-8: National Shifts in Activity (AHC '000s) Between 1996 and 1997 (by Occupational Level)**

| Occupational Level | 1996 Revised | 1997 Projected | Total Increase | Total Increase as % of 1996 Revised | % of Overall Increase |
|---|---|---|---|---|---|
| General/Unspecified | 44,990 | 46,287 | 1,298 | 2.9 | 13.7 |
| Operative | 61,083 | 65,176 | 4,094 | 6.7 | 43.1 |
| Trades | 49,897 | 51,282 | 1,385 | 2.8 | 14.6 |
| Prof/Paraprofessional | 81,282 | 83,800 | 2,518 | 3.1 | 26.5 |
| Module Only Activity | 1,443 | 1,488 | 45 | 3.1 | 0.5 |
| Not Allocated | 622 | 777 | 156 | 25.0 | 1.6 |
| Total | 239,316 | 248,810 | 9,495 | 4.0 | 100.0 |

Source: 1997 State/Territory Training Profiles.

**Expanding activity at the operative level continues to be a major priority**

Training for operative level workers was identified as an area of concern in the report on *Directions and Resource Allocations for 1996*. The report noted that the proportion of training for operative level workers was substantially less than their proportion employed in the workforce.

In 1996, 56.4 per cent of the increase in training activity was directed towards training at the operative level. Training at this level will continue to expand in 1997, with 43 per cent of the total increase in national activity being directed towards operative level training.

Industry training areas that will considerably expand operative level training include *Process Manufacturing*; *Arts, Entertainment, Sport and Recreation*, *Utilities*, *Communications* and *Food Processing*.

**Share of activity by occupational level has remained steady**

However, as demonstrated earlier with the shift of activity across industry training areas, the shift of activity across occupational levels has occurred primarily through the use of Commonwealth Growth funds and not through base funds. This is shown in Table 4-9 below.

**Table 4-9: Shifts in Activity (AHC) which have occurred outside the use of Commonwealth Growth Funds (by Occupational Level)**

| | 1996 Revised | 1997 C'wealth Gwth Funded Increase | 1997 Non-C'wealth Gwth Funded Increase | Non-C'wealth Gwth Funded Increase as % of 1996 Revised |
|---|---|---|---|---|
| General/Unspecified | 44,990 | 1,372 | -74 | -0.2 |
| Operative/Clerical | 61,083 | 2,814 | 1,279 | 2.1 |
| Trades | 49,897 | 1,007 | 378 | 0.8 |
| Professional/Paraprof | 81,282 | 1,706 | 812 | 1.0 |
| Module Only Activity | 1,443 | 83 | -38 | -2.6 |
| Unallocated | 622 | 77 | 79 | 12.8 |
| Total AHC ('000s) | 239,316 | 7,058 | 2,437 | 1.0 |

Source: 1997 State/Territory Training Profiles.

## 4-6- Apprenticeships and Traineeships

Often referred to as 'entry level training', this chapter covers those people in occupations traditionally entered via an apprenticeship, as well as those previously placed in training through a range of different programs such as the Australian Traineeship System and Career Start Traineeships.

During 1996, Ministers agreed on the introduction of fundamental reforms to the apprenticeship and traineeship system. Information on the Modern Australian Apprenticeship and Traineeship System (MAATS), is reported separately.

The 1997 Training Profiles provide information on projected commencements for apprentices and trainees to 1999. These projections reflect individual State and Territory views on the extent to which suitable jobs will be created. The cyclical, demand driven nature of apprenticeship and traineeship places is the most critical constraint that operates.

**Apprenticeship and traineeship commencements**

States and Territories are expecting a significant increase in traineeship commencements during 1996, many in *Office Administration*, *Small Business*, *Engineering* and *Hospitality*. This is expected to continue in 1997. Some States have advised that as much as 55 per cent of all new commencements will come from these areas, with the majority of training occurring on-the-job.

The majority of apprenticeship activity is traditionally linked to activity levels in the *Building and construction*, *Metals* and *Engineering* industries. States and Territories report that subdued growth in these key industries will restrain apprentice numbers during 1996, but that an increase in apprentice recruitment activity is expected in 1997.

Combined apprenticeship and traineeship commencements will increase from 63,213 in 1995 to an estimated 75,464 in 1996 and 91,075 in 1997. Apprenticeship and traineeship commencement projections are shown in Table 4-10.

**Table 4-10: Apprentice and Trainee Commencement Projections**

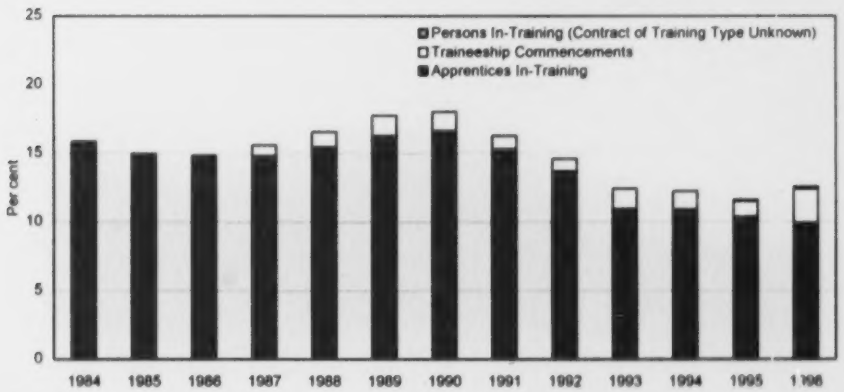
| | Apprentices | Trainees | | |
|---|---|---|---|---|
| | | With Off-the-Job Training | All On The Job Training | Total Trainees |
| 1995 | 43,074 | 15,541 | 4,598 | 20,139 |
| 1996 | 39,840 | 26,188 | 9,436 | 35,624 |
| 1997 | 43,715 | 32,887 | 14,473 | 47,360 |
| 1998 | 43,835 | 37,497 | 16,783 | 54,280 |
| 1999 | 43,350 | 40,737 | 19,113 | 59,850 |

Source: State/Territory Training Profiles.

Note: No national trainee targets have been set for 1998 and 1999.

In addition to State and Territory projections, the Authority has undertaken research into the resourcing of MAATS and associated projections. Figure 4-2 shows apprentices in training and traineeship commencements as a share of total TAFE students. It shows that the activity share of apprentices in training combined with traineeship commencements declined between 1990 and 1996.

**Figure 4-2: Apprentices in training and traineeship commencements as a share of total TAFE students, 1984-96 (Per cent)**




Source: NCVER, *Apprenticeship Statistics*, 1984-1994; NCVER, AVETMISS *Contract of Training Collection*, 1995-1996 (unpublished)

Note: Student data for 1996 is not currently available but is assumed to increase between 1995 and 1996 at the same annual rate as was experienced between 1992 and 1995. Contract of training information for 1996 is provisional only and subject to revision.

## 4-7- Language, literacy and numeracy

ANTA distributes $7m of Commonwealth funds under the Recurrent Literacy program. States and Territories report training delivery and other literacy initiatives purchased with these funds. In 1996, literacy funded activity totalled 1,008,461 AHC and this figure is planned to increase to 1,016,888 hours in 1997.

The majority of States and Territories have consolidated their planning for language, literacy and numeracy initiatives and delivery through their National Collaborative Adult English Language and Literacy State Implementation Groups. These Groups are working in collaboration with State Training Authorities, the Commonwealth, regional groups and industry to ensure that

literacy planning takes account of the needs of the community. Many States and Territories are reassessing the traditional allocation (75 per cent to TAFE and 25 per cent to community groups/ACE) of funds and moving towards open tendering, focusing on community demand.

**Language, literacy and numeracy in mainstream courses**

1997 initiatives envisage learner pathways for language, literacy and numeracy students and the need to market strategies to address barriers. States and Territories are active with their ITABs to address language, literacy and numeracy needs of industry and are integrating language, literacy and numeracy competencies into mainstream vocational courses. Professional development of teachers, industry trainers and tutors is also a priority for 1997.

## 4-8- Interstate Co-operative Grants

This program supports the development of co-operative projects between States and Territories that advance the concept of a national VET system, while providing for the delivery of additional student places. Many of the structural barriers to inter-system co-operation have been removed since its inception in 1994.

Project funding has enabled the piloting of new approaches to the delivery of training across borders and in remote localities, and a majority of these have been given mainstream status by the States and Territories concerned. The program has been particularly successful in providing:

- flexible delivery to remote communities
- strategies suitable to rural and cross-border areas
- culturally appropriate and vocationally relevant training for indigenous communities, and
- innovative training arrangements in partnership with industry.

In 1996, some 34 individual projects were approved with a projected delivery of over 1.3 million AHC in training, with an average unit cost of $7.59, significantly less than the $10.70 average cost of the program in its first year. An example of the benefits that can accrue from the development of such pilots is the Queensland project on Training for Indigenous People in Small Business, which expects to provide training in three States to an estimated 240 new students.

**Interstate Co-operative Grants to become State/Territory initiatives**

All States and Territories have successfully integrated their pilot arrangements into mainstream funding and are aware of the benefits of increased co-operation between systems and across State borders. Accordingly, assistance under the program will phase out, with no new projects being approved after 1996. It is expected that, due to the success of the program, States and Territories will continue to develop interstate co-operative activities within their own planning processes.

## 4-9- National Projects

All States and Territories have made a commitment to the further development of systems and approaches to vocational education and training in 1997 through participation in a number of national projects.

Funding for these is provided through the Commonwealth Vocational Education and Training Funding Act 1992. In 1997, $23m has been nominally allocated for National Projects.

The 1997 National Projects will be funded according to the following broad outcomes for the VET system:

- National Vocational Education and Training System development
- Provider development
- Training Market development
- Communciation: Training Market support, and
- Research and Evaluation.

## 4-10- Infrastructure Developments

The Authority provides Commonwealth-sourced capital funding assistance to the VET system through the Infrastructure Program. Funds are provided for the construction or refurbishment of major training facilities for TAFE Colleges as well as for training equipment, Child Care Centres and student residences. The Skill Centre component of the Program provides assistance for the establishment of industry owned and operated training facilities as part of the expanded training market.

**Infrastructure program funding shares**

The Infrastructure Program is funded under the Vocational Education and Training Act. The level of funding available for 1997 is $200m, which is made up of the following:

- major building projects, equipment acquisition and Child Care Centres ($180m)
- Skill Centres ($15m, including $5m for Skill Centres to support VET in Schools), and
- Aboriginal and Torres Strait Islander Facilities ($5m).

The 1997 allocation for this Program is lower than funding provided in previous years, reflecting Commonwealth budget decisions and agreement by Ministers based on advice from the ANTA Board.

In 1997, in addition to the $200m available from ANTA, planned expenditure by States/Territories on capital is estimated to be $125m, bringing the total estimated investment in capital for 1997 to $325m. States and Territories consider the investment priorities for capital expenditure as part of the Profile Planning process, taking into consideration strategic plans and national and State/Territory priorities.

In 1997, there will be no specific allocation of funds for the construction of child care centres. This initiative has provided over $23m and created some 1900 additional child care places in TAFE Colleges across Australia. Such projects will now be considered by States and Territories within their overall capital program planning.

**Maintenance of effort in capital expenditure**

Ministers agreed in 1995 that, in relation to maintenance of effort, capital expenditure should be examined separately from recurrent expenditure, with the objective of maintaining an appropriate share of capital investment between the two levels of government. Accordingly, a judgment is made in relation to whether appropriate shares in capital investment have been maintained, taking into account the following:

- the historical levels of contribution from States/Territories and the Commonwealth
- the proposed contributions for each year
- the needs of each State/Territory each year as evidenced in the Capital Development Plans, and
- a five-year average expenditure on capital, if necessary.

For 1997, based on these criteria and the figures available, all States and Territories are considered to have maintained appropriate shares in capital investment.

At their meeting in September 1996, Ministers agreed that a review of the Infrastructure Program be undertaken. The consultative review will be undertaken during 1997 and cover all aspects of the program.

### 4-10-1- Major Capital Projects

ANTA and State/Territory allocations for building projects are made up of continuing projects as well as new construction projects and design and documentation for major projects planned to commence in the future. Planned expenditure for new technology and equipment is also included.

These projects will provide a wide range of facilities for the VET system, and are spread across metropolitan areas, major provincial centres and rural areas. As well as providing a significant increase in general teaching facilities, they include specialist learning facilities in areas of growth, learning resource centres and a range of student amenities. The majority are for TAFE Institutes, however there are a number of projects involving joint ventures with industry and between TAFE and universities.

**Use of capital funding for refurbishment and technology purchases**

The trend towards refurbishment of existing facilities as opposed to new constructions is continuing in 1997. Many projects reflect the need for a change in use of existing buildings that have outlived their intended purpose.

There is also an increasing shift towards the provision of facilities and especially new technology and equipment to assist in flexible delivery. A number of States and Territories have increased shares in the equipment

component of the Program rather than used funds for new construction projects.

In particular, Program funds are being used for high technology communications and computer equipment to assist flexible delivery and it is expected that this trend will continue.

The monitoring of the Infrastructure Program will continue during 1997 with further analysis of the data base containing details of all major capital projects undertaken since 1994. Benchmarks are being established in consultation with States and Territories for costs of building works and student places as well as for other components of the Program.

**Benchmarking costs of capital investment**

Preliminary analysis undertaken during 1996 suggests that costs are generally within acceptable limits. This indicates that efficiency procedures in place within States and Territories in relation to obtaining value for money in capital investments, are proving effective. However, further work needs to be undertaken and agreement reached on a range of benchmarks relating to the Program and capital investment.

### 4-10-2- Skill Centres

The Skill Centre component of Infrastructure funding has a total allocation of $15m and two programs. These are industry based Skill Centres ($10m) and Regional Skill Centres to support VET in Schools ($5m).

The establishment of industry and enterprise based training facilities is encouraged as part of the expansion of the training market. Capital funds are provided on a once-off basis to assist in the establishment of such centres, with industry contributing half the capital costs.

The long lead times necessary to develop proposals between State/Territory Training Authorities and industry mean that the total 1996 allocation of $11.336m will not be used for new Skill Centre approvals in 1996. Consequently $4.5m will be reallocated to other major building projects within the broader Infrastructure Program.

Advice from States/Territories on proposals under development suggests that an allocation of $10m be set aside in 1997 for industry based Skill Centres.

**VET in schools - new reserve funding**

At their meeting in September 1996, Ministers agreed to earmark $5m within the Skill Centre component of the Infrastructure Program in 1997 to assist the development of Regional Skill Centres to support VET in Schools. A draft information paper and guidelines on this initiative has been developed for approval of MINCO, for implementation during 1997.

### 4-10-3- Aboriginal and Torres Strait Islander Facilities

A total of $15m is being provided from the Infrastructure Program over the period 1996-1998 for capital investment in training facilities managed by and for Aboriginal and Torres Strait Islander people.

**High demand for Aboriginal and Torres Strait Islander facilities**

Following detailed consultations with prospective proposers and on the advice of State/Territory Training Authorities, decisions have been taken to allocate the funds, with approval given to provide support for projects in all States and Territories. 32 individual proposals worth more than $29m were submitted. As a result, not all could be accommodated and most approved projects will receive a lower level of funding than had been sought. However, it is expected that all those approved will be able to develop new facilities to assist with the provision of training to Aboriginal and Torres Strait Islander people.

To meet the cash flow needs for these approved projects, an allocation of $5m for 1997 has been set aside from the Infrastructure Program.

# 5- Funding Arrangements

**The ability to plan for development in the VET system depends on the amount and distribution of three funding groups; *recurrent, capital* and *growth*. This chapter details the proposed allocations of these sources for each State and Territory.**

## 5-1- Funding arrangements for 1997

**Recurrent funding for 1997 totals $670m**

**Capital funding for 1997 totals $200m**

Commonwealth recurrent funding is close to $670m, of which growth funding for 1997 is just under $62m and $20m is set aside for VET in Schools. In addition, $21.5m is available for additional training places. Commonwealth capital funding for 1997 is $200m.

The breakdown of total State, Territory and Commonwealth expenditure on vocational education and training is contained in Table 5-1.

## 5-2- Approval of Profiles

The Training Profiles presented by New South Wales and the Northern Territory are recommended for approval without conditions. Chapter 7 sets out the maintenance of effort and other factors on which these recommendations are made. Subject to Ministerial Council approval, growth funds for these States and Territories will flow in accordance with agreed arrangements.

The Training Profile for Western Australia is recommended for approval in principle subject to a satisfactory financial audit report for 1995.

The Training Profiles for Victoria, Queensland, South Australia, Tasmania and Australian Capital Territory are recommended for approval subject to conditions. The details are provided in Appendix A.

## 5-3- Infrastructure funding for 1997

Following previous decisions of the Ministerial Council, it is proposed that the level of funding for expenditure of a capital nature in 1997 should be $200m. This represents a reduction of some $28m on the level of funds provided in 1996 and reflects Commonwealth Budget decisions and the recommendations of the Board.

The proposed 1997 Infrastructure Program allocations for each State/Territory are set out in Table 6.2.

Variations to draft Capital Development Plans (CDPs) may need to be made early in 1997 to take account of the final payments by States/Territories for existing 1996 projects.

The distribution of funds for Skill Centre projects will be finalised during the year in consultation with States/Territories as proposals are developed.

Approvals for projects under the Aboriginal and Torres Strait Islander facilities component have been determined. The $5m allocated for 1997 will meet the cash flow requirements for approved projects.

Due to the nature of capital programs and changes in priorities and processes based on which draft Capital Development Plans have been prepared, it is likely that during the year some States/Territories may find it necessary to seek an amendment to their Capital Development Plans. As with the process agreed in previous years, provided such changes are consistent with the overall Profile directions, it is proposed that they be approved by the Authority.

## 5-4- Total Funding Outcomes for 1997

**Table 5-1: Summary of Planned Expenditure for 1997 ($'000)**

| | State Funds | C'wealth Base Funds | C'wealth Growth Funds | Total |
|---|---|---|---|---|
| **Recurrent:** | | | | |
| New South Wales | 765,000 | 196,414 | 20,843 | 982,257 |
| Victoria | 392,107 | 140,554 | 15,345 | 548,006 |
| Queensland | 271,091 | 94,032 | 11,518 | 376,641 |
| South Australia | 149,507 | 46,059 | 4,908 | 200,474 |
| Western Australia | 179,447 | 52,999 | 6,084 | 238,530 |
| Tasmania | 40,013 | 16,539 | 1,554 | 58,106 |
| Northern Territory | 44,300 | 6,383 | 631 | 51,314 |
| Australian Capital Territory | 45,180 | 11,590 | 1,114 | 57,884 |
| VET In Schools | | | 20,000 | 20,000 |
| National Projects | | 23,000 | | 23,000 |
| Publication of TAFE Statistics | | 212 | | 212 |
| Total Recurrent | 1,886,645 | 587,782 | 81,997 | 2,556,424 |
| **Capital:** | | | | |
| New South Wales | 44,740 | 62,640 | | 107,380 |
| Victoria | 28,500 | 45,000 | | 73,500 |
| Queensland | 29,000 | 30,600 | | 59,600 |
| South Australia | 10,856 | 14,400 | | 25,256 |
| Western Australia | 9,800 | 16,200 | | 26,000 |
| Tasmania | 5,785 | 4,680 | | 10,465 |
| Northern Territory | 320 | 3,600 | | 3,920 |
| Australian Capital Territory | 3,000 | 2,880 | | 5,880 |
| Skill Centres | | 15,000 | | 15,000 |
| Aboriginal and Torres Strait Islander Capital Projects | | 5,000 | | 5,000 |
| Total Capital | 132,001 | 200,000 | | 332,001 |
| **Total** | **2,018,646** | **787,782** | **81,997** | **2,888,426** |

Notes: Funds for additional traineeships funded through Commonwealth conditional funds are not included.

State/Territory recurrent expenditure is based on maintenance of effort data but inclusive of State sourced payroll tax.

State/Territory capital expenditure is drawn from maintenance of effort estimates.

# 6- Recommendations

**The Authority makes the following recommendations to the Ministerial Council:**

## 6-1- 1997 Training Profiles

The Authority recommends the Ministerial Council:

a) approves the Training Profiles presented by New South Wales and the Northern Territory in respect of 1997

b) approves the Training Profiles presented by Victoria, Queensland, South Australia, Western Australia, Tasmania and Australian Capital Territory in respect of 1997, subject to the conditions detailed in Appendix A

c) notes that attention will need to be focussed on shifts within the base provision in future years, and

d) notes that the Authority will continue to analyse comparative effort and provide further advice to Ministers on where the level of activity may need to be lifted.

## 6-2- Recurrent funding for States and Territories

The Authority recommends the Ministerial Council:

a) approves the allocation of recurrent funding for 1997 set out in Table 6-1 subject to conditions set out in Appendix A for Victoria, Queensland, South Australia, Western Australia, Tasmania and Australian Capital Territory.

**Table 6-1: Allocation of Commonwealth Recurrent funding for 1997 ($)**

| | Base Recurrent | Recurrent Literacy | 1997 Growth Funding | Total Recurrent |
|---|---|---|---|---|
| New South Wales | 194,038,134 | 2,375,461 | 20,843,391 | 217,256,986 |
| Victoria | 138,746,431 | 1,807,714 | 15,344,877 | 155,899,022 |
| Queensland | 92,848,056 | 1,184,013 | 11,517,803 | 105,549,872 |
| South Australia | 45,470,640 | 588,485 | 4,908,302 | 50,967,427 |
| Western Australia | 52,326,861 | 672,611 | 6,084,386 | 59,083,858 |
| Tasmania | 16,356,729 | 182,336 | 1,553,645 | 18,092,710 |
| Northern Territory | 6,319,255 | 63,387 | 630,509 | 7,013,151 |
| Australian Capital Territory | 11,463,894 | 125,993 | 1,114,086 | 12,703,973 |
| VET In Schools | | | 20,000,000 | 20,000,000 |
| National Projects | 23,000,000 | | | 23,000,000 |
| Publication of TAFE Statistics | 212,000 | | | 212,000 |
| **Total** | **580,782,000** | **7,000,000** | **81,997,000** | **669,779,000** |

Notes: Funds for additional traineeships funded through Commonwealth conditional funds are not included.

## 6-3- Infrastructure funding

The Authority recommends the Ministerial Council:

a) approves the allocations for infrastructure funds for 1997 as set out in Table 6-2, noting that the appropriate share of capital investment has been maintained between the two levels of government

b) authorises the Authority, after consultations with the States/Territories, to approve Capital Development Plans (CDPs) for 1997 in keeping with the allocations in Table 6-2

c) authorises the Authority, after consultations with the States/Territories, to make variations to the project allocations in the CDPs when actual expenditures in 1996 for current projects are known

d) authorises the Authority to decide on requests from States/Territories to change Capital Development Plans during 1997, provided the changes are consistent with the overall directions of the State/Territory Training Profile as agreed by Ministers, having regard to forward obligation approvals

e) authorises the Authority to determine, after consultations with the States/Territories, allocations under the Skill Centre component, and

f) requests the Authority to provide advice on its continuing work on the analysis of major capital works and to report on the outcomes of the review of the Infrastructure Program by the end of 1997.

**Table 6-2: Allocation of Commonwealth sourced Infrastructure Funding for 1997 ($m)**

| | Buildings, Equipment and Child Care |
|---|---|
| New South Wales | 62.640 |
| Victoria | 45.000 |
| Queensland | 30.600 |
| South Australia | 14.400 |
| Western Australia | 16.200 |
| Tasmania | 4.680 |
| Northern Territory | 3.600 |
| Australian Capital Territory | 2.880 |
| Industry based Skill Centres | 10.000 |
| Regional Skill Centres to support VET in Schools | 5.000 |
| Aboriginal and Torres Strait Islander Facilities | 5.000 |
| **Total** | **200.000** |

# Appendix A: Maintenance of Effort

## Introduction

Growth funds for the VET system have been provided by the Commonwealth under the NVETS Agreement. The Schedule to the ANTA Act provides that "States and Territories will at least maintain their effort for VET on an ongoing basis."[4]

**Whether effort is maintained is a matter of judgment**

Whether a State or Territory is deemed to have maintained effort is a matter of judgment determined by the Ministerial Council following advice from the ANTA Board. This judgment is made after consideration of agreed measures together with supplementary information.

## Summary of Maintenance of Effort Arrangements

**All States and Territories maintained effort in 1994**

In relation to 1994, the first year of the NVETS Agreement, maintenance of effort arrangements were expressed in financial terms using 1992 as the base year. All States and Territories maintained effort in 1994 as reported previously.

From 1995 the arrangements changed by agreement of Ministers to include three non financial measures in addition to the previously used financial measure with 1994 as the base year.

**Maintenance of effort positions from 1995 for each State and Territory are included below**

The maintenance of effort positions of each State and Territory for 1995 and subsequent years follow, after technical notes that focus on providing updated information on various aspects of the measures. For comprehensive information on the maintenance of effort arrangements, refer also to previous publications in the series *Directions and Resource Allocations*.

## Technical Notes

*Financial measures*

**Financial measures considered**

Changes have been made to the measurement of financial maintenance of effort in 1997 as agreed by Ministers in 1995 in connection with the review of the scope and boundary applying to the measure.

In 1997 only State/Territory recurrent expenditures, inclusive of maintenance and leasing expenditures and exclusive of state payroll taxes, are within the scope and boundary. Removal of State payroll taxes has covered tax payments from all funding sources. Grants and subsidies in relation to apprentices and trainees are also included at the discretion of the State or Territory. Where included, this has been footnoted. Expenditure targets have been indexed from one year to the next, as has been the approach previously, using updated non-

[4] Clause 31, Schedule, Australian National Training Authority Act 1992.

farm Gross Domestic Product (GDP) deflators and actual non-productivity related wage increases.

In 1997, capital expenditures have been examined separately from recurrent expenditures and a judgment has been made as to whether an appropriate share of capital investment has been maintained between the two levels of government (see Chapter 4-10). A five year average figure for capital has been taken into consideration as previously. Nominal capital expenditure has been converted to real terms by means of updated State Territory Gross Fixed Capital Indexes-General Government.

*Non-financial measures*

**Non-financial or activity measures**

The non-financial or activity measures include Annual Hours Curriculum (AHC), enrolments and the rate of module load completions. Independent audits of these measures within the scope and boundary of the NVETS agreement are conducted by the National Centre for Vocational Education Research (NCVER) on behalf of ANTA.

**Traineeship activity funded from ANTA Agreement funds is included**

The audits include activity related to traineeships that were transferred into the ANTA Agreement during 1994. However, not all traineeship activity was funded from ANTA Agreement funds in 1995. States and Territories were able to access additional Commonwealth funding to help finance trainee commencements beyond their base target numbers. Adjustments have been made to audited levels of activity in 1995 according to the claims States and Territories made for the additional and conditional Commonwealth funds for trainees.

**Recognition of prior learning has been excluded pending further analysis**

Also, adjustments have been made to audited activity levels to exclude any reported activity associated with the recognition of prior learning (RPL). As requested by Ministers in November 1995, work has been started to progress the development of a method for counting RPL and for adjusting for RPL in activity maintenance of effort but this work is not yet completed. Specific exclusion of RPL thus is an interim measure for consistency reasons.

RPL levels have been viewed as supplementary information wherever necessary. This has been the case in relation to South Australia in 1995 only, in line with previous contractual arrangements. For Queensland, RPL has also been considered because this activity is not able to be separately identified in that State. However, this situation is expected to change in relation to the 1996 collection of activity statistics for Queensland.

**The AHC measure has been fully analysed**

Of the three non-financial measures of maintenance of effort, the AHC measure has been fully analysed and included in this report as per AVETMISS definition. The figures take into account rebasing that has occurred subsequent to the 1994 audits as data systems have improved. In particular, this allows the exclusion, from statistical returns forwarded to the national collection, of enrolments (and associated hours and outcomes) that cannot be verified. However, effective exclusion of enrolments that cannot be verified has not yet been achieved by all States and Territories. It is expected that this situation will be improved in relation to the 1996 data collection.

**Enrolments are total students enrolments and are subject to fluctuation**

The enrolments data presented are total student enrolments. It is course and module only enrolments that are planned for in the Profiles process and used to provide estimates for comparison with established targets. The enrolment targets use audited 1995 enrolment figures as the base. It has not been possible to establish a 1994 base for enrolments because of reporting differences between the States in that year as indicated in *Directions and Resource Allocations for 1996*. Because total enrolment levels are influenced by several factors, they are less important than hours and expenditure in the overall judgment of maintenance of effort.

The 1995 audit reports also provide verified numbers of total clients enrolled, which can be presented and compared with actual data for future years, should this be considered of interest for maintenance of effort purposes.

**Module load completion information has some inconsistencies**

Module load completion information is also subject to audit. The independent auditors appointed to verify ANTA Agreement government funded activity have identified some differences in the use of module outcome codes between States and Territories. There is therefore a need for reporting guidelines and systemic improvements in relation to the recording of module outcomes.

Notwithstanding this, available module load completion data yields rates of different magnitudes depending on the equation that is used. The results for each State for 1995 are as reported in the *Annual National Report* 1995 (*Volume Three*). This report provided module load completion rates according to three different formulae, as shown below. There are no comparable 1994 data.

| | NSW | VIC | QLD | SA | WA | TAS | NT | ACT | AUS |
|---|---|---|---|---|---|---|---|---|---|
| Formula One | 80.1 | 84.3 | 82.6 | 93.9 | 85.0 | 80.8 | 83.4 | 75.1 | 82.8 |
| Formula Two | 75.0 | 71.1 | 82.6 | 89.1 | 73.9 | 76.6 | 65.4 | 69.2 | 75.6 |
| Formula Three | 74.6 | 66.9 | 86.2 | 82.2 | 70.4 | 70.7 | 52.0 | 71.3 | 74.2 |

Source: *Annual National Report* 1995 (*Volume Three*).

Notes: Formula One is a pass rate for assessed students whose attendance was confirmed and excludes enrolments where the student 'withdrew without failure'.

Formula Two is a pass rate for assessed students whose attendance was either confirmed or not confirmed and includes enrolments where the student 'withdrew without failure'.

Formula Three is a completion rate comparing students who completed a module (regardless of assessment) with all commencing students.

## A1: New South Wales

### 1995 Maintenance of Effort

**New South Wales maintained effort in 1995**

| | Expenditure ($m) Recurrent and Capital | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 737.54 | 84,003 | |
| 1995 Target | 761.18 | 86,775 | |
| 1995 Actual | 770.58 | 86,797 | 451,172 |

Notes: Expenditure calculations using the recurrent plus five-year averaged capital.

### 1996 Maintenance of Effort

**New South Wales is maintaining effort in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 737.54 | 685.08 |
| 1996 Target | 784.73 | 730.17 |
| 1996 Estimate | 787.85 | 737.90 |

| | AHC ('000) | Enrolments('000) |
|---|---|---|
| 1994 Base | 84,003 | 451,172 |
| 1996 Target | 89,585 | 466,512 |
| 1996 Estimate | 89,607 | 455,687 |

Notes: Base for enrolments is 1995 as for all States.

### 1997 Maintenance of Effort

**New South Wales is expected to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 636.38 | 84,003 | 451,172 |
| 1997 Target | 703.85 | 89,585 | 466,512 |
| 1997 Estimate | 709.00 | 89,608 | 455,686 |

Notes: Activity Estimate for 1997 is less Commonwealth Growth.

**Additional Details**

Grants and subsidies to apprentices and trainees are included in the New South Wales financial figures. Expenditures have been rebased to exclude architectural services fees as the payments made for these from State expenditures are subsequently recouped from Commonwealth funds.

New South Wales has reservations about the use of total funds sources for calculation of State payroll tax for exclusion from 1997 maintenance of effort calculations.

Activity has been rebased due to improvements in data systems and counting and verified through the 1995 audit process. Notably, the introduction of a no-start outcome code has enabled New South Wales to effectively exclude enrolments that cannot be verified, also known as 'module enrolment no attendance', from their statistical returns to NCVER.

**Recommendation**

**New South Wales has satisfied conditions for receipt of 1997 growth funds**

The Authority considers that New South Wales is maintaining and will continue to maintain effort. The Authority recommends 1997 growth funds be provided to New South Wales.

## A2: Victoria

### 1995 Maintenance of Effort

**Overall, Victoria maintained effort in 1995**

| | Expenditure ($m) Recurrent and Capital | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 401.51 | 57,575 | |
| 1995 Target | 408.15 | 61,521 | |
| 1995 Actual | 404.40 | 62,291 | 330,532 |

Notes: Expenditure calculations using the recurrent plus five-year averaged capital.

The 1994 base activity refers to planned levels as agreed in negotiations and the MINCO report on Directions and Resource Allocations for 1996.

In 1995, Victoria did not maintain financial effort but did maintain effort in activity hours terms.

### 1996 Maintenance of Effort

**Overall, Victoria is expected to maintain effort in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 401.51 | 382.57 |
| 1996 Target | 414.67 | 394.70 |
| 1996 Estimate | 408.56 | 385.50 |

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 60,603 | |
| 1996 Target | 64,573 | 340,146 |
| 1996 Estimate | 65,207 | 338,067 |

Notes: The 1994 base activity refers to actual levels as agreed in negotiations and the MINCO report on *Directions and Resource Allocations in 1996*. Base for enrolments is 1995 as for all States.

In 1996, whilst Victoria is falling short of its expenditure target by a considerable margin, the Authority expects that the activity hours target will be met. Victoria has provided progress reports on 1996 activity levels as required by the resolution of the Ministerial Council in November 1995.

### 1997 Maintenance of Effort

**Overall, concerns remain about Victoria's ability to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 358.81 | 60,603 | |
| 1997 Target | 369.57 | 64,573 | 340,146 |
| 1997 Estimate | 363.61 | 65,207 | 338,067 |

Note: 1994 base equals 1995 for financial figures. Victoria is unable to provide a payroll tax figure for 1994. Activity Estimate for 1997 is less Commonwealth Growth.

In 1997 Victoria plans to maintain its activity levels but to fall short of financial maintenance of effort.

### Additional Details

Victoria has reservations about the use of total funds sources for calculation of State payroll tax for exclusion from 1997 maintenance of effort calculations.

Victoria is unable to provide a payroll tax figure for 1994, the agreed base year for calculation of targets. Hence 1995 has been used as the base year for calculation of 1997 financial maintenance of effort.

**Recommendation**

**Victoria should receive 1997 growth funds subject to conditions**

The Authority recommends that:

a) Victoria be provided with 1997 growth funds subject to conditions

- Victoria's commitment to maintain the provision of the levels and quality of VET with a progress on that provision reported to ANTA by 30 June 1997, and
- on the basis of that reporting, ANTA recommend appropriate action, if ANTA deems that necessary, to the Ministerial Council, and

b) Ministers accept the use of 1995 as the base year for financial measures for Victoria for the year 1997 and beyond because of the unavailability of required information for 1994.

## A3: Queensland

### 1995 Maintenance of Effort

**Queensland maintained effort in 1995**

| | Expenditure ($m) Recurrent and Capital | AHC ('000) | Enrolments) |
|---|---|---|---|
| 1994 Base | 270.85 | | |
| 1995 Target | 274.96 | | |
| 1995 Actual | 276.33 | 33,635 | 197,529 |

Notes: Expenditure calculations using recurrent plus five-year averaged capital figures

Queensland maintained effort in financial terms in 1995. Maintenance of activity levels has not been able to be judged. see additional notes below.

### 1996 Maintenance of Effort

**Queensland is expected to maintain effort in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 270.85 | 244.96 |
| 1996 Target | 281.02 | 254.30 |
| 1996 Estimate | 282.01 | 255.88 |

| | AHC ('000) | Enrolments( |
|---|---|---|
| 1994 Base | 33,635 | |
| 1996 Target | 36,605 | 199,099 |
| 1996 Estimate | 38,178 | 175,534 |

Notes: Base for hours activity measures is 1995; see additional notes below. Base for enrolments is 1995 as for all States.

### 1997 Maintenance of Effort

**Queensland is expected to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 232.91 | 33,635 | 197,529 |
| 1997 Target | 243.79 | 36,605 | 199,099 |
| 1997 Estimate | 255.61 | 40,636 | 185,134 |

Notes: Activity Estimate for 1997 is less Commonwealth Growth. Estimates are overstated due to the inclusions of trainees funded outside the ANTA Agreement by 1.6 million hours and unknown enrolments

### Additional Details

In November 1995 Ministers agreed that 1996 growth funds be provided to Queensland subject to the Authority being satisfied on the outstanding audit reports for 1994 and their implications being incorporated into the States Profile process in subsequent years. The above incorporates the 1994 audit of financial expenditures. The audit shows Queensland maintained effort in 1994 and that, using this information as the base year, Queensland will continue to maintain financial effort in subsequent years.

The 1994 audit of Queensland activity revealed difficulties in settling on precise levels. The Authority expressed the view that Queensland consider the possibility of using 1995 as the base year for activity measures because both the auditors and Queensland had suggested that 1995 data would be free of

major problems. Subsequent examination of 1995 audit of activity report largely confirmed these opinions. Queensland has agreed to 1995 as the base year for non-financial maintenance of effort.

Queensland has reservations about the use of total funds sources for calculation of State payroll tax for exclusion from 1997 maintenance of effort calculations

**Recommendation**

**Queensland has satisfied conditions for receipt of 1997 growth funds based on the use of 1995 as the base year for activity measures**

The Authority recommends that

a) Ministers accept the use of 1995 as the base year for non-financial measures for Queensland, given the difficulties with using 1994, and

b) Queensland be provided with 1997 growth funds.

## A4: South Australia

### 1995 Maintenance of Effort

**Overall, South Australia maintained effort in 1995**

| | Expenditure ($m) Recurrent and Capital | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 150.66 | 13,805 | |
| 1995 Target | 153.75 | 14,425 | |
| 1995 Actual | 149.23 | 14,597 | 135,313 |

Notes: Expenditure calculations using the recurrent plus five-year averaged figure for capital. Maintenance expenditures included as capital. Activity target incorporates making up a shortfall in 1994.

South Australia fell short of its expenditure target in 1995 but exceeded its activity commitments.

### 1996 Maintenance of Effort

**Overall, South Australia is expected to maintain effort in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 151.02 | 141.81 |
| 1996 Target | 154.71 | 147.56 |
| 1996 Estimate | 152.11 | 142.81 |

Note: Maintenance expenditures included as recurrent

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 13,805 | 135,313 |
| 1996 Target | 14,914 | 139,003 |
| 1996 Estimate | 14,914 | 130,348 |

Notes: 1996 activity target is adjusted to exclude one-off additional activity required in 1995 to make up 1994 shortfall. Base year for enrolments is 1995 as for all States.

South Australia is expected to fall short of its expenditure target in 1996. However, the Authority expects that the activity hours target will be met; South Australia has provided progress reports on 1996 activity levels as required by the resolution of the Ministerial Council in November 1995.

### 1997 Maintenance of Effort

**Overall, concerns remain about South Australia's ability to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 134.31 | 13,805 | 135,313 |
| 1997 Target | 146.39 | 14,914 | 139,003 |
| 1997 Estimate | 140.31 | 14,914 | 132,616 |

Notes: Activity Estimate for 1997 is less Commonwealth Growth.

In 1997 South Australia is planning to maintain its activity levels but to fall short of maintaining financial maintenance of effort as in previous years.

### Additional Details

South Australia activity data effectively excludes enrolments (and associated hours) which cannot be verified.

**Recommendation**

**Receipt of 1997 growth funds by South Australia should be subject to conditions**

The Authority recommends that South Australia be provided with 1997 growth funds subject to conditions:

a) South Australia's commitment to maintain the provision of the level and quality of VET with progress on that provision reported to ANTA by 30 June 1997, and

b) on the basis of that reporting, ANTA recommend appropriate action, if deemed necessary, to the Ministerial Council.

## A5: Western Australia

### 1995 Maintenance of Effort

**Western Australia maintained effort in 1995**

| | Expenditure ($m) Recurrent and Capital | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 173.23 | 17,694 | |
| 1995 Target | 177.73 | 18,474 | |
| 1995 Actual | 181.14 | 19,803 | 108,949 |

Notes: Expenditure calculations using the recurrent plus five-year averaged figure for capital.

### 1996 Maintenance of Effort

**Western Australia is expected to maintain effort in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 173.23 | 164.09 |
| 1996 Target | 182.13 | 172.53 |
| 1996 Estimate | 184.58 | 175.29 |

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 17,694 | 108,949 |
| 1996 Target | 19,151 | 112,548 |
| 1996 Estimate | 20,649 | 110,094 |

Notes: Base for enrolments is 1995 as for all States.

### 1997 Maintenance of Effort

**Western Australia is expected to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 163.20 | 17,694 | 108,949 |
| 1997 Target | 174.90 | 19,151 | 112,548 |
| 1997 Estimate | 178.52 | 20,649 | 110,466 |

Notes: Activity Estimate for 1997 is less Commonwealth Growth.

### Additional Details

Western Australia 1995 financial figures are subject to audit verification.

### Recommendation

**Western Australia has satisfied conditions for receipt of 1997 growth funds**

The Authority recommends that Western Australia be provided with 1997 growth funds subject to the Authority being satisfied on the financial audit for 1995 and its implications for subsequent years.

**REVISED POSITION:**

Western Australia financial audit has been received and confirms the above figures.

## A6: Tasmania

### 1995 Maintenance of Effort

**Tasmania met its financial target in 1995**

| | Expenditure ($m) Recurrent and Capital | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 44.40 | 3,496 | |
| 1995 Target | 44.91 | 3,683 | |
| 1995 Actual | 45.15 | 3,670 | 21,598 |

Notes: Expenditure calculations using the recurrent plus five-year averaged capital.

Tasmania reached its expenditure target but marginally fell short of its activity target in 1995.

### 1996 Maintenance of Effort

**Tasmania is expected to maintain effort in 1996 and make up the small 1995 activity hours shortfall**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 44.40 | 41.42 |
| 1996 Target | 45.64 | 42.54 |
| 1996 Estimate | 46.32 | 42.70 |

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 3,496 | 21,598 |
| 1996 Target | 3,896 | 22,698 |
| 1996 Estimate | 3,916 | 22,342 |

Notes:

Tasmania expects to exceed its financial target and to exceed its activity hours target by an amount more than sufficient to make up the small shortfall in activity hours in 1995.

### 1997 Maintenance of Effort

**There are concerns about Tasmania's ability to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 41.42 | 3,496 | 21,598 |
| 1997 Target | 42.83 | 3,883 | 22,698 |
| 1997 Estimate | 40.01 | 3,918 | 22,342 |

Notes: Activity Estimate for 1997 is less Commonwealth Growth

Tasmania expects to meet its activity target in 1997 even though it does not expect to maintain financial effort in 1997.

### Additional Details

The 1994 financial expenditures have been rebased as notified by Tasmania to pick up small accounting errors but these remain subject to audit verification. State expenditures on grants and subsidies to apprentices and trainees are included in the figures. Tasmania activity data effectively excludes enrolments (and associated hours) which cannot be verified.

**REVISED POSITION:**

Tasmania additional audit information on 1994 expenditures has been received and confirms the rebase on which the above figures were determined.

**Recommendation**

**Tasmania should receive 1997 growth funds subject to some conditions**

The Authority recommends that 1997 growth funds be provided to Tasmania subject to some conditions:

a) a report from Tasmania by 30 June 1997 on progress on activity levels to that date against projections, and

b) on the basis of that reporting, ANTA recommend appropriate action, if deemed necessary, to the Ministerial Council.

## A7: Northern Territory

### 1995 Maintenance of Effort

**The Northern Territory maintained effort in 1995**

| | Expenditure ($m) Recurrent and Capital | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 48.38 | 2,320 | |
| 1995 Target | 48.58 | 2,400 | |
| 1995 Actual | 47.81 | 2,657 | 11,078 |

Notes: Expenditure calculations using recurrent plus five-year averaged capital figures. Maintenance expenditure included as capital

The Northern Territory exceeded its 1995 activity target by a considerable margin and fell short marginally of its 1995 financial target.

### 1996 Maintenance of Effort

**The Northern Territory is expected to maintain effort in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 47.77 | 43.53 |
| 1996 Target | 48.37 | 43.98 |
| 1996 Estimate | 48.45 | 43.93 |

Notes: Maintenance expenditure included as recurrent

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 2,320 | 11,078 |
| 1996 Target | 2,467 | 11,348 |
| 1996 Estimate | 2,799 | 9,316 |

Notes: The Northern Territory expects to maintain effort in expenditure terms and exceed its activity targets in 1996.

### 1997 Maintenance of Effort

**The Northern Territory is expected to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 43.53 | 2,320 | 11,078 |
| 1997 Target | 44.28 | 2,467 | 11,348 |
| 1997 Estimate | 44.30 | 2,840 | 9,476 |

Notes: Activity Estimate for 1997 is less Commonwealth Growth.

The Northern Territory plans to exceed by a considerable amount its activity target in 1997 and expects to maintain financial effort.

### Recommendation

**The Northern Territory has satisfied conditions for receipt of 1997 growth funds**

The Authority recommends 1997 growth funds be provided to the Northern Territory.

## A8: Australian Capital Territory

### 1995 Maintenance of Effort

**The Australian Capital Territory met its financial target in 1995**

| | Expenditure ($m) Recurrent and Capital | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 46.62 | 3,658 | |
| 1995 Target | 47.31 | 3,861 | |
| 1995 Actual | 48.55 | 3,655 | 16,200 |

Notes: Expenditure calculations using the recurrent plus five-year averaged figure for capital.

In 1995, the Australian Capital Territory met its financial target but fell short of its activity target.

### 1996 Maintenance of Effort

**The Australian Capital Territory is expected to meet its financial target in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 46.62 | 43.26 |
| 1996 Target | 48.12 | 44.63 |
| 1996 Estimate | 48.48 | 45.62 |

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 3,658 | |
| 1996 Target | 4,218 | |
| 1996 Estimate | 3,957 | |

Notes: Activity figures for 1995 and 1996 are subject to finalisation

The Australian Capital Territory is expected to meet its expenditure target in 1996 but to fall short of its activity target.

### 1997 Maintenance of Effort

**The Australian Capital Territory is expecting to meet its financial target in 1997. An activity target is not finalised at this time**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 43.26 | 3,658 | |
| 1997 Target | 45.17 | | |
| 1997 Estimate | 45.18 | | |

Notes: Payroll tax has always been excluded from Australian Capital Territory maintenance of effort information. Activity Estimate for 1997 is less Commonwealth Growth.

The Australian Capital Territory will maintain financial effort in 1997 on current estimates provided.

An activity target is not included at this time. Consideration and resolution of the circumstances contributing to the shortfall in activity in 1995 and the estimated shortfall in 1996 is required before an activity target for 1997 can be determined.

### Additional Details

Territory sourced grants and subsidies for apprentices and trainees are included in financial figures.

During the audit of 1995 activity it became evident that 1994 data needed to be revisited to ensure consistency in reporting. The results of this exercise have only recently become available.

Significant work has been undertaken in the Australian Capital Territory to address the validity of the 1994 and 1995 data and to address the factors contributing to the 1995 shortfall. Some further audit work has been commissioned. Significant work has also been done recently on the costs of training in the Australian Capital Territory that can inform the target setting and projections process.

Further analysis and discussion is needed to establish targets and for 1997 and a final position on activity for 1996.

**Recommendation**

**Access to 1997 growth funds by the Australian Capital Territory should be conditional**

The Authority recommends, in the context of the particular circumstances in the Australian Capital Territory, that 1997 growth funds be made available subject to conditions:

a) activity figures for 1995 and 1996 are settled between the Australian Capital Territory and ANTA on the basis of the figures identified by audit

b) an overall delivery target for 1997 is agreed

c) both the above are completed by the end of December 1996

d) reports are provided by the Territory by the end of March and the end of June on activity levels to date in meeting the target for total 1997 delivery, and

e) growth funding for the period July to December 1997 is subject to advice to MINCO from the Authority that progress against targets is satisfactory.

**REVISED POSITION:**

In relation to recommendations (a) and (b) above, it has been settled between the Australian Capital Territory and ANTA that the activity figures are as follows:

**1995 Maintenance of Effort**

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 3,658 | |
| 1995 Target | 3,809 | |
| 1995 Actual | 3,716 | 16,196 |

### 1996 Maintenance of Effort

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 3,658 | 16,196 |
| 1996 Target | 4,053 | 17,025 |
| 1996 Estimate | 4,042 | 15,772 |

Notes: 1996 hours target incorparates making up the 1995 shortfall. Base for enrolments is 1995.

### 1997 Total Activity

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 3,658 | 16,169 |
| 1997 Target total | 4,117 | 17,428 |
| 1997 Estimate total | 4,117 | 15,719 |

Notes: 1997 hours target incorporates making up the 1996 shortfall. Base for enrolments is 1995.

# Appendix B: Activity by State/Territory

**Expected Changes to Training Activity Between 1996 Revised Estimates and 1997 Projections**

| | 1996 Revised | 1997 Projection | Total Increase | C'wealth Growth Funded Increase |
|---|---|---|---|---|
| | | *AHC ('000)* | | |
| New South Wales | 89,608 | 92,009 | 2,401 | 2,401 |
| Victoria | 65,207 | 67,215 | 2,008 | 2,008 |
| Queensland | 38,178 | 41,799 | 3,621 | 1,163 |
| South Australia | 14,914 | 15,414 | 500 | 500 |
| Western Australia | 20,649 | 21,266 | 617 | 617 |
| Tasmania | 3,918 | 4,090 | 172 | 172 |
| Northern Territory | 2,799 | 2,900 | 101 | 60 |
| Australian Capital Territory | 4,042 | 4,117 | 75 | 136 |
| **Total** | **239,316** | **248,810** | **9,494** | **7,058** |
| | | *Enrolments* | | |
| New South Wales | 455,687 | 468,636 | 12,949 | 12,950 |
| Victoria | 338,066 | 351,539 | 13,473 | 13,476 |
| Queensland | 175,534 | 191,244 | 15,710 | 6,110 |
| South Australia | 130,348 | 137,332 | 6,984 | 4,716 |
| Western Australia | 110,094 | 114,436 | 4,342 | 3,970 |
| Tasmania | 22,342 | 23,542 | 1,200 | 1,200 |
| Northern Territory | 9,316 | 9,628 | 312 | 152 |
| Australian Capital Territory | 15,772 | 15,719 | -53 | 403 |
| **Total** | **1,257,159** | **1,312,076** | **54,917** | **42,977** |

Source: 1997 State/Territory Training Profiles

# Appendix C: 19 x 4 National Matrix

## Total Government Funded Activity - 1997 Projected

| AHC ('000s) | Module Activity Only | Course Activity | | | | Total Activity |
|---|---|---|---|---|---|---|
| | | Gen/ Unspec | Oper/ Clerical | Trades | Prof/ Para Prof | |
| **Category A** | | | | | | |
| Arts, Entertainment, Sports & Rec | 46 | - | 762 | 1,476 | 9,644 | 11,928 |
| Automotive | 51 | - | 1,472 | 7,053 | - | 8,576 |
| Building and Construction | 48 | - | 3,640 | 9,805 | 5,516 | 19,009 |
| Community Services, Health & Ed | 84 | - | 8,789 | 470 | 13,038 | 22,382 |
| Finance, Banking & Insurance | 0 | - | 2,551 | - | 917 | 3,468 |
| Food Processing | 48 | - | 1,606 | 1,196 | 1 | 2,851 |
| TCF and Furnishings | 60 | - | 576 | 4,212 | 965 | 5,813 |
| Communications | 6 | - | 234 | 1,237 | 486 | 1,963 |
| Engineering and Mining | 90 | 6 | 2,888 | 8,533 | 5,089 | 16,607 |
| Primary Industry | 127 | - | 4,911 | 2,603 | 4,575 | 12,217 |
| Process Manufacturing | 7 | - | 466 | 5 | - | 479 |
| Sales and Personal Service | 43 | - | 3,304 | 2,808 | 597 | 6,752 |
| Tourism and Hospitality | 106 | - | 7,408 | 4,695 | 5,942 | 18,151 |
| Transport and Storage | 16 | - | 1,297 | 24 | 514 | 1,851 |
| Utilities | 18 | - | 508 | 6,166 | 5,453 | 12,145 |
| **Category B** | | | | | | |
| Business and Clerical | 100 | 1,704 | 22,875 | 11 | 18,428 | 43,117 |
| Computing | 117 | 2,138 | 1,452 | 14 | 8,920 | 12,641 |
| Science, Technical and Other | 16 | 1,839 | 325 | 976 | 3,714 | 6,870 |
| **Category C** | | | | | | |
| General Education and Training | 503 | 40,600 | 110 | - | - | 41,212 |
| Unallocated | - | 1 | 1 | - | - | 779 |
| **Total** | **1,488** | **46,287** | **65,176** | **51,282** | **83,800** | **248,810** |

| ENROLMENTS | Module Activity Only | Course Activity | | | | Total Activity |
|---|---|---|---|---|---|---|
| | | Gen/ Unspec | Oper/ Clerical | Trades | Prof/ Para Prof | |
| **Category A** | | | | | | |
| Arts, Entertainment, Sports & Rec | 1,511 | - | 3,841 | 6,215 | 27,332 | 38,899 |
| Automotive | 470 | - | 15,067 | 29,393 | - | 44,930 |
| Building and Construction | 671 | - | 14,819 | 35,563 | 17,809 | 68,862 |
| Community Services, Health & Ed | 1,432 | - | 35,865 | 1,885 | 47,696 | 86,877 |
| Finance, Banking & Insurance | 29 | - | 14,830 | - | 5,288 | 20,147 |
| Food Processing | 607 | - | 13,981 | 5,629 | 35 | 20,252 |
| TCF and Furnishings | 1,527 | - | 2,383 | 19,264 | 2,441 | 25,614 |
| Communications | 379 | - | 1,118 | 4,103 | 1,326 | 6,926 |
| Engineering and Mining | 1,433 | 122 | 14,329 | 40,055 | 23,316 | 79,255 |
| Primary Industry | 3,336 | - | 33,286 | 11,812 | 44,733 | 93,166 |
| Process Manufacturing | 140 | - | 3,057 | 26 | - | 3,223 |
| Sales and Personal Service | 967 | - | 12,605 | 13,171 | 4,454 | 31,196 |
| Tourism and Hospitality | 2,925 | - | 33,830 | 17,221 | 14,704 | 68,681 |
| Transport and Storage | 495 | - | 10,470 | 94 | 3,072 | 14,131 |
| Utilities | 422 | - | 2,067 | 25,498 | 21,021 | 49,008 |
| **Category B** | | | | | | |
| Business and Clerical | 3,039 | 26,200 | 94,893 | 114 | 93,963 | 218,208 |
| Computing | 7,733 | 34,756 | 22,768 | 270 | 42,210 | 107,737 |
| Science, Technical and Other | 1,318 | 18,903 | 2,818 | 8,296 | 17,532 | 48,868 |
| **Category C** | | | | | | |
| General Education and Training | 9,201 | 271,030 | 3,268 | - | - | 283,499 |
| Unallocated | - | 16 | 39 | - | - | 2,597 |
| **Total** | **37,635** | **351,027** | **335,333** | **218,607** | **366,931** | **1,312,076** |

Source: 1997 State/Territory Training Profiles.

Notes: 'Unallocated' includes activity which has not been distributed across occupational levels. Projected 1997 Fee for Service activity totals 37,258,000 AHC and 570,554 enrolments.

VOCATIONAL EDUCATION AND TRAINING

# DIRECTIONS AND RESOURCE ALLOCATIONS FOR 1998

AUSTRALIAN
NATIONAL TRAINING
AUTHORITY

REPORT TO THE MINISTERIAL COUNCIL

NOVEMBER 1997

VOCATIONAL EDUCATION AND TRAINING

# DIRECTIONS AND RESOURCE ALLOCATIONS FOR 1998

AUSTRALIAN
NATIONAL TRAINING
AUTHORITY

REPORT TO THE MINISTERIAL COUNCIL

NOVEMBER 1997

*Directions and Resource Allocations for 1998* provides the Authority's analysis of the 1998 State and Territory Annual Vocational Education and Training Plans and includes recommendations for the Ministerial Council on the allocation of an estimated $3 billion in Commonwealth and State/Territory funds. It also highlights developments in national strategic directions, policy, the economy and labour market, and performance measurement.

Enquiries should be directed to:

Australian National Training Authority
AMP Place, 10 Eagle Street
Brisbane Qld 4001

Ph: (07) 3246 2300
Fax: (07) 3246 2490
http://www.anta.gov.au

©: Australian National Training Authority, 1997
ISSN: 1322 - 9648

## TABLE OF CONTENTS


**PREFACE** ..... I

**MINISTERS RESOLUTIONS - 14 NOVEMBER 1997** ..... II

1. INTRODUCTION ..... 1

1.1 Purpose of New Business Arrangements ..... 1

1.2 Annual National Priorities for 1998 ..... 2

1.3 Key features of 1998 Annual VET Plans ..... 3

1.4 Overview of Report ..... 4

2. NATIONAL STRATEGIC DIRECTIONS ..... 5

2.1 Progress in 1997 ..... 5

2.2 National Strategy ..... 10

2.3 Annual National Priorities for 1998 ..... 11

3. PLANNED ACTIVITY ..... 19

3.1 Planned Activity Changes 1995-1998 ..... 19

3.2 Planned Activity in 1998 ..... 19

3.3 Relative costs and relative effort ..... 19

3.4 Data Issues and Key Performance Measures ..... 22

3.5 Distribution between Training Areas ..... 24

3.6 Distribution between Occupational Levels ..... 28

3.7 New Apprenticeships ..... 29

3.8 Language, literacy and numeracy ..... 30

3.9 National Projects ..... 30

3.10 Infrastructure Developments ..... 31

4. FUNDING ARRANGEMENTS ..... 35

4.1 Funding arrangements for 1998 ..... 35

4.2 Approval of Annual VET Plans ..... 35

4.3 Infrastructure funding for 1998 ..... 35

4.4 Total Funding Outcomes for 1998 ..... 37

5. RECOMMENDATIONS ..... 39

5.1 Annual VET Plans ..... 39

5.2 Recurrent funding for States and Territories ..... 39

5.3 Infrastructure funding ..... 40

**Appendix A: Maintenance of Effort**

**Appendix B: Activity by State/Territory**

**Appendix C: 19 x 4 National Matrix**

## LIST OF TABLES

Table 2-1: Proportion of VET Students, VET Graduates and Population in each Client Group, 1995 (Age 15-64) ..... 10
Table 3-1: Growth in VET Activity 1994 - 1998 ..... 19
Table 3-2: Nominal Cost per Annual Hour Curriculum for Total Government Funded Activity 1996, 1997 and 1998 ($, unweighted) ..... 20
Table 3-3: 1996 Population, Activity and Expenditure Share by State/Territory (Per cent) ..... 22
Table 3-4: Total Government Activity (AHC and Enrolments) for 1997 and 1998 by Broad Training Area ..... 25
Table 3-5: Key National Shifts in Activity Between 1997 Revised Estimates and 1998 Projected Activity (AHC '000s) ..... 26
Table 3-6: Total Expansion of Training Provision State by State ..... 27
Table 3-7: Total Government Funded Activity 1998 by Occupational Level ..... 28
Table 3-8: National Shifts in Activity (AHC '000s) Between 1997 and 1998 (by Occupational Level) ..... 28
Table 3-9: Apprentice and Trainee Commencement Projections ..... 29
Table 4-1: Summary of Planned Expenditure for 1998 ($'000) ..... 37
Table 5-1: Allocation of Commonwealth Recurrent funding for 1998 ($) ..... 40
Table 5-2: Allocation of Commonwealth sourced Infrastructure Funding for 1998 ($m) ..... 41

## LIST OF FIGURES

Figure 3-1: Government Funded Hours per 1000 of Population (1996 to 1998) ..... 21

# PREFACE

*Directions and Resource Allocations for 1998* provides the Authority's analysis of the 1998 State and Territory Vocational Education and Training Plans and includes recommendations to the Ministerial Council on resource allocations. As such, the resolutions adopted by the Ministerial Council on 14 November 1997 provide direction for funding vocational education and training in Australia in 1998.

In May 1997, Ministers agreed to a set of Annual National Priorities for 1998 which were developed by ANTA in consultation with the Commonwealth, States, Territories and industry. The report on *Directions and Resource Allocations for 1998* provides a summary of the major outcomes identified for achievement in 1998.

## MINISTERS RESOLUTIONS - 14 NOVEMBER 1997

**Subject to the decisions of the Ministerial Council on a new ANTA Agreement, including the framework for growth through efficiencies, and final activity tables to be submitted for consideration by Ministers in February/ March, Ministers:**

**Annual VET Plans**

(a) approved the Annual VET Plans presented by Victoria, Queensland, Western Australia, South Australia, Tasmania, Northern Territory and the Australian Capital Territory;

(b) noted the ANTA Board's continuing concerns about the New South Wales reserved position on User Choice, and expressed its misgivings given MINCO view that User Choice is integral to the successful implementation of New Apprenticeships. MINCO noted however, that New South Wales will allocate $60 million through genuinely contestable means for public and private providers in 1998;

(c) approved the 1998 Annual VET Plan for New South Wales and urged New South Wales to proceed as rapidly as possible with the implementation of User Choice;

(d) noted that attention will need to be focused on shifts within the base provision in future years;

(e) noted that the Authority will continue to analyse relative effort and costs and provide further advice to Ministers;

(f) noted the Authority's concern about the quality of VET statistics and the adjustments and rebases required to achieve clean and comparable data; and

(g) agreed to the further development of the National Strategy for VET 1998 - 2003.

**Recurrent funding for States and Territories**

(h) subject to MINCO's concerns in paragraph (b) approved the allocation of recurrent funding for 1998 for all States and Territories set out in Table 5-1 of the Report;

(i) agreed to the allocation of $23m in 1998 for National Projects and noted the process for the finalisation of national project allocations.

**Infrastructure funding**

(j) approved the allocations for Infrastructure Program funds as set out in Table 5-2 of the Report, noting that the appropriate share of capital investment has been maintained between the two levels of government;

(k) authorised the Authority, after consultations with the States/Territories, to approve Capital Development Plans (CDPs) for 1998 in keeping with the allocations in Table 5-2;

(l) authorised the Authority, after consultations with the States/Territories, to make variations to the project allocations in the CDPs, when actual expenditures for 1997 for current projects are known;

(m) authorise the Authority to decide on requests from States/Territories to change Capital Development Plans during 1998, provided the changes are consistent with the overall directions of the State/Territory VET Training Plans as agreed by Ministers, having regard to forward obligation approvals;

(n) authorised the Authority to determine, after consultations with the States/Territories, allocations for approved projects under the Industry Based Skill Centre and Skill Centres for School Students' components; and

(o) requested the Authority report on the outcomes of the review of the Infrastructure Program by end of 1998.

(p) approved the Report on Directions and Resource Allocations for 1998; and

(q) directed the ANTA Board not to publish the Report until States and Territories have had the opportunity to provide an addendum to the Report, such addendum to be provided within 14 days and notified to other States and Territories

# VOCATIONAL EDUCATION AND TRAINING

# DIRECTIONS AND RESOURCE ALLOCATIONS FOR 1998

## REPORT TO THE MINISTERIAL COUNCIL NOVEMBER 1997

# 1. Introduction

***Directions and Resource Allocations for 1998*** **provides the Authority's analysis of the 1998 State/Territory VET Plans and includes recommendations to the Ministerial Council on resource allocations. It also highlights the latest developments in national strategic directions and priorities.**

## 1.1 Purpose of New Business Arrangements

Under the National Vocational Education and Training System Agreement (known as the ANTA Agreement), State and Territory Profiles, together with the National Strategy, were the key planning tools of the national vocational education and training (VET) system.

Training Profiles were designed to establish a single and comprehensive plan for the provision and support of VET in the States and Territories for the year ahead and an indicative plan for two out years.

During the review of the ANTA Agreement, the Profiles process attracted criticism from the States/Territories.

The intention of the New Business Arrangements is to move from the previous orientation of State/Territory Training Profiles to one which emphasises strategy and policy. The arrangements also more appropriately align accountabilities, with the States/Territories only accountable nationally for their role in the National System and at a State level to their respective State/ Territory Ministers and Parliaments for the operation of their systems.

**The development of new arrangements focusing on Annual National Priorities**

The framework for the new arrangements has been developed collaboratively between States/Territories, the Commonwealth and ANTA. The framework provides for the National Strategy to set the mission and long term objectives for the national system. The first National Strategy, *Towards a Skilled Australia*, was released in 1994 for the years 1994-97. In early 1997, the ANTA Board commenced the development of a new *National Strategy for VET for 1998-2003*.

Within the medium term direction set by the National Strategy, Ministers agree to Annual National Priorities for the forthcoming year. The main purpose of the Annual National Priorities is to develop a set of clear outcomes for a one year planning period consistent with the National Strategy, and a clear statement of what is needed by States/Territories, the Commonwealth and ANTA to achieve these outcomes in that year.

The hierarchy of the components of the New Business Arrangements, within the umbrella of the National Strategy, is as follows :

***Annual National Priorities***

- key areas of concentration for the National System for a given year

***National Key Result Areas***

- concrete outcomes for the National System for that year, based on the Annual National Priorities

***National Performance Indicators***

- National measures and levels of achievement against the National Key Result Areas

***State / Territory Performance Indicators***

- State/Territory measures and levels of achievement against National Key Result Areas

The State/Territory contribution to implementing the Annual National Priorities through the National Key Result Areas and the State/Territory Performance Indicators, along with a set of activity tables, forms the basis of the State/Territory Annual VET Plan.

## 1.2 Annual National Priorities for 1998

**1998 Priorities**

In May 1997, Ministers agreed to the following Annual National Priorities for 1998 :

- *Implementation of New Apprenticeships, including User Choice*
- *Expansion of market mechanisms*
- *Implementation of National Training Framework*
- *Provision of greater opportunities and improved outcomes for under-represented clients*
- *Value for public expenditure maximised*
- *Achieve training outcomes which meet the needs of small business*
- *Encouragement of a training culture within industry, including to enhance training of the existing workforce*
- *Training to facilitate State/Territory development*

## 1.3 Key features of 1998 Annual VET Plans

**Implementation of key reforms**

1998 will see the implementation of a number of key reforms which have been under development over the last 18 months. In the 1998 VET Plans, States/Territories have given a commitment to implementing the Australian Recognition Framework (ARF), adopting Training Packages as they become available, and implementing New Apprenticeships and User Choice (with the exception of NSW which has reserved its position on User Choice).

**Implementation of the ARF resulting in mutual recognition of training and training organisations**

States/Territories have developed implementation plans for the ARF which will see the agreed National Principles, Standards, performance measures, and operational protocols for registration of training organisations implemented. Implementation of the ARF by States/Territories will result in full mutual recognition of training and training organisations across States/Territories.

States/Territories have given a commitment to adopt Training Packages as they become available and to put in place mechanisms to determine stakeholder satisfaction with those Training Packages.

**Increase in New Apprenticeship commencements**

New Apprenticeships will be implemented from 1 January 1998. New Apprenticeship (apprenticeship and traineeship) commencements are expected to increase from approximately 98,500 in 1997 to an anticipated 113,400 in 1998. Streamlining regulatory arrangements and implementing User Choice will be important elements in achieving the anticipated increase. Under User Choice, clients (apprentices, trainees and their employers) will be able to choose the provider of their choice and negotiate the content, mode of delivery, and timing, and as Training Packages become available, the sequencing of training delivered.

In 1998, activity funded under the ANTA Agreement is expected to reach 246 million Annual Hours Curriculum (AHC). This represents an increase of 2.6 million AHC, or roughly 25,000 additional enrolments. This growth is attributable to State/Territory effort.

In 1998, all States/Territories have continued their commitment to expanding the training market. According to State/Territory advice, approximately $198m will be set aside in 1998 for the purchase of places through contestable funding processes, an increase of 29 per cent over 1997. These funds do not include funds to be applied by States/Territories in the implementation of User Choice.

**Continued expansion of the training market**

States/Territories continue to undertake a range of initiatives aimed at removing barriers to access and participation and broadening the range of training opportunities and improving outcomes for those disadvantaged in the labour market.

A major focus in 1998 will be to maximise participation in training by small business. Responses by States/Territories concentrate on the flexibility of the system to respond to small business training needs, raising the awareness of small business operators about the training products and the benefits of training and ensuring the system is easy to access and understand.

## 1.4 Overview of Report

Chapter 2, *National Strategic Directions,* details how the VET system is responding to the Ministerial endorsed priorities for 1998.

Chapter 3, *Planned Activity,* explores the distribution of activity by States and Territories in 1998 and major funding initiatives.

Chapter 4, *Funding Arrangements,* presents the Authority's advice on funding for 1998 as it relates to the 1998 Annual VET Plans, and recurrent and infrastructure funding allocations.

Chapter 5, *Recommendations,* contains the Authority's recommendations for endorsement by Ministers.

# 2. National Strategic Directions

**In July 1996, Ministers adopted seven strategic directions for the national VET system in 1997, and in May 1997 agreed to a set of Annual National Priorities for 1998. This chapter provides a national overview of progress against these strategic directions for 1997 and outcomes to be achieved in 1998 against the Annual National Priorities. Selective examples of State/ Territory initiatives in particular areas, reported by States/ Territories to ANTA, are identified in the progress report.**

## 2.1 Progress in 1997

### 2.1.1 Delivers more apprenticeship and traineeship training

**Revised apprenticeship and traineeship commencements increase by 8%**

States and Territories exceeded their targets for apprenticeship and traineeship commencements in 1997. The revised combined apprenticeship and traineeship commencements for 1997 increased from an anticipated 91,075 to 98,500. That is, an increase of just over 8% in commencements.

**New Apprenticeships increased the opportunities for structured entry level training**

Ministers made a commitment to increasing opportunities for young people to take up structured entry level training. To assist in meeting this objective, Ministers agreed to the formation of the ANTA Board Advisory Committee on New Apprenticeships. The committee has a continuing role in providing advice to the ANTA Board, and through the Board to informing ANTA MINCO, on issues relating to the further development and implementation of New Apprenticeships.

The ANTA Board Report on New Apprenticeships was agreed by Ministers in May 1997. The report represents the completion of the process to develop the national policy framework which began with the endorsement by Ministers of the aims, objectives and key principles for New Apprenticeships in May 1996. Following Ministers' endorsement of the recommendations in May 1997, States and Territories are adopting a range of strategies to assist in the implementation of New Apprenticeships including encouraging employment based options for school students and the progressive implementation of User Choice.

### 2.1.2 Fosters labour mobility throughout the Australian economy

**Australian Recognition Framework agreed for implementation**

The Australian Recognition Framework (ARF) was agreed by Ministers in September 1997 after broad consultation between ANTA, the Commonwealth, States/Territories and industry. The ARF aims to streamline regulatory arrangements, improve quality assurance and ensure national consistency of systems and operations. The ARF will also ensure mutual recognition of Registered Training Organisations, products and services, registration of all training organisations seeking recognition, and provide for self managed recognition if quality endorsed.

To assist with the implementation of the ARF in 1997 and other aspects of New Apprenticeships, a number of States/Territories have undertaken a broad consultative process in relation to legislative changes to support their introduction. In addition, some States/Territories also developed Client Service Standards for the registration of providers and accreditation of courses consistent with national standards. All States/Territories have developed comprehensive implementation plans.

With the establishment of the Training Accreditation Council of Western Australia the streamlining of processes has facilitated a 100% increase in the rate of recognition of new training providers and accredited courses.

In the Northern Territory, implementation of quality systems was supported through specific quality training designed to provide organisations with the skills and knowledge to implement their systems.

### 2.1.3 Is more efficient through the use of flexible and competitive delivery arrangements

**Training that is more responsive to industry and client needs**

One of the main elements of recent training reforms has been the expansion of the training market to encourage training that is more responsive to the needs of industry and individual clients. States and Territories have widely adopted competitive tendering processes for purchasing training delivery.

A range of initiatives have been implemented by States and Territories to expand the training market, including a significant increase in funds allocated through competitive purchasing processes and progressive implementation of User Choice leading to full implementation in 1998.

All States and Territories were committed to promoting an open training market in 1997 and increased the amount of funding allocated through competitive processes. In 1997, an estimated $153m was set aside for the allocation of funds on a contestable basis, an increase of approximately 40% over 1996. Contestable funding mechanisms included the purchase of the provision of training through open tender, the negotiation of preferred supplier arrangements and joint funding agreements.

**Full implementation of User Choice in 1998**

User Choice arrangements form a significant part of the implementation of New Apprenticeships. During 1997 work was undertaken at a national level in consultation with States/Territories and the Commonwealth to develop User Choice policy for full implementation in 1998.

In response to client demand, it is estimated that public providers generated approximately 37,258,000 AHC in fee for service activity in 1997.

In Victoria, the Adult Community and Further Education Board's Regional Funding Framework was revised to incorporate enhanced contestability arrangements. Approximately 10% of training delivery funds were allocated through competitive processes.

In Tasmania, in 1997, User Choice arrangements were extended to all traineeships as well as to three apprenticeships formerly delivered by public providers.

### 2.1.4 Flexible Delivery

**Tools include on site delivery, networks, open learning centres and multi media technology**

Flexible Delivery is recognised as an important strategy in training market development. Strategies identified in the 1997 Profiles included on-site delivery, communication networks, open learning centres and introduction of multi-media technologies.

The Flexible Delivery Implementation Plan, arising out of the work of the National Flexible Delivery Taskforce, was developed and progressed during 1997. This has involved a cooperative effort between the Commonwealth and State and Territory governments with the aim of promoting a more flexible client centred approach to training.

These initiatives resulted in an expansion of the training offered in a range of modes and at times that meet client needs. In addition, a number of projects undertaken in 1997 further advanced a national approach to flexible delivery in defining technical standards for VET, evaluating new technologies and delivering on-line networks.

In Western Australia, the South East Metropolitan College of TAFE is undertaking a project titled Workplace Learning and Technology: A Regional Perspective. The project is piloting the use of online technology in the Perth region to connect employers, Schools and the Institute, in order to foster youth training and employment. A Research Field Officer will undertake case studies in ease of use, access, and employer and learner satisfaction.

VET on the Internet (A Resource Guide for Teachers and Students) aims to produce, trial and revise a teaching and learning resource guide for teachers and students on vocational education and training on the internet. This project is being undertaken by Queensland and incorporates an important analysis of the costs involved in setting up online access for the wide cross section of teachers involved.

### 2.1.5 Has devolved administrative and delivery mechanisms to ensure responsiveness to clients

A number of best practice and quality assurance projects were undertaken in 1997 with outcomes such as:

**Delivery mechanisms enhanced for clients**

- managers better equipped to achieve organisational strategic objectives, to respond to client needs, and to manage change;
- teachers and trainers better equipped to meet the needs of clients and to contribute to a quality VET system; and
- a focus on the continuing improvement of VET products and services through the promotion of quality systems, best practice and benchmarking.

Over the past two years, States and Territories have developed and progressively implemented quality standards and management frameworks for providers and agencies receiving public funds. Some States/ Territories have worked towards the separation of purchaser/ provider roles, given the increased focus on government purchasing arrangements brought about by the broader use of contestable funding mechanisms (particularly competitive tendering). Some States/Territories are developing a clear separation of roles between the purchaser and provider which will result in greater autonomy for the TAFE system.

In Victoria, as part of the development of the Quality Management Framework, a range of organisations self assessed against the Australian Quality Assessment Framework and are currently developing Process Manuals as a basis for ongoing self assessment. A best practice model for the governance of TAFE institutes was developed and is currently being implemented widely across the Victorian State training system.

In New South Wales, a quality assurance system to manage delegation of recognition in line with the Quality Framework for VET and the Australian Recognition Framework was developed.

### 2.1.6 Gives business a key role in leadership and provides training relevant to business

During 1997, States and Territories further developed their planning systems to ensure the allocation of resources took into account the needs of industry and other client groups. This has involved:

**Stronger links between strategic planning and allocation of resources**

- strengthening the links between VET strategic planning and the allocation of public VET sector resources both for training delivery and capital development;
- enhancing relationships between industry, providers and State Training Agencies;
- ITABs developing high quality training plans as frameworks for identifying training needs in each industry; and
- developing strategies to involve small business in VET.

In the Authority's view, the next step must involve the continuing evolution of a demand focused VET model driven by relationships between training providers and their clients (both industry and individuals) and between enterprises and their workforce, operating within the requirements of the national and State/Territory systems.

In South Australia, a "Planning Together" strategy was implemented to inform the Strategic Plan for VET 1998 to 2000. Development of the strategy involved consultation with ITABs, target groups and Regional Development Boards.

### 2.1.7 Is responsive to and accessible by small and medium enterprises

**Building active partnerships with small business**

The importance of small business to the Australian economy is highlighted by the fact that:

- small businesses account for 97 % of all private sector businesses, 51 % of all private sector employees and around 33 % of Australia's gross domestic product;
- In the past 10 years, employment in small business has grown at an average annual rate of 3.6 %;
- Australian industry is characterised by a very high percentage of enterprises with less than 20 employees, with the average small business consisting of 3.8 persons;
- small business as a share of total employment (including the public sector) has risen from 39% in 85/86 to 45% in 93/94;
- small business has a high concentration of owners from Australia's ethnic communities; and
- women make up a significant proportion of small business employees.

States and Territories have included representatives of small and medium sized enterprises in their planning processes and in consultations concerning policy issues. In some States/Territories, Small Business Advisory Committees were established to provide advice on the VET needs of small business. Furthermore, some States and Territories have allocated funds specifically for the training needs of small business.

At the national level, a Business Services Industry Training Advisory Board will be declared by the end of 1997. Small business is one of the four project groups which will develop Training Packages under this ITAB. Preliminary work on a Small Business Training Package is underway through the Queensland Small Business Training Company.

In Queensland, the Small Business Training Advisory Committee provided advice on the VET needs of small business and input into Queensland's 1998 State Training plan.

In Tasmania, industry VET plans were analysed to identify small business needs and a number of specific assessment projects relevant to small business were undertaken.

### 2.1.8 Apply principles of access and equity across the board

Individual client groups identified in the 1994 National Strategy for Vocational Education and Training include women, Aboriginal and Torres Strait Islander people, people without adequate social, literacy and numeracy skills, people with disabilities, rural and isolated people, unemployed people and people from non-English speaking backgrounds. Particular emphasis was placed on the training needs of women and Aboriginal and Torres Strait Islander people in 1997.

Access and equity not only involves participation of disadvantaged people in the labour market, but requires specific initiatives to address outcomes such as the level of training and completion of courses.

Table 2-1 below shows that there is still scope for improvement in participation and/or outcomes for some client groups.

**Table 2-1: Proportion of VET Students, VET Graduates and Population in each Client Group, 1995 (Age 15-64)**

| | Share of Students** | Share of Graduates | Share of Population |
|---|---|---|---|
| **Females** | 46.6 | 54.7 | 49.5 |
| **Aboriginal and Torres Strait Islanders** | 2.7 | 1.3 | 1.5 |
| **Non-English Speaking by Country of Birth** | 16.9 | 15.7 | 15.8 |
| **People with a Disability*** | 4 | 5.8 | 15 |
| **People outside Capital Cities** | 40 | 39.1 | 35.5 |

Source : Students - Selected VET Statistics, 1995, NCVER.
Graduates - Graduate Outcomes TAFE, Australia, ABS, 1995.
Population - ABS: 1995 (Females), 1994 (Aboriginal and Torres Strait Islanders, People outside Capital Cities), 1993 (Disabilities), 1991 (Non-English Speaking).
* Since the incidence of Disability increases sharply with age, a more valid comparison is that of student figures with the population aged 15-24, where 10 per cent are reported having a disability.
** Student proportions are estimates only, derived from persons who reported their client group status.

Initiatives introduced by States and Territories in response to access and equity issues include:

**Needs of people in target groups recognised in training design and delivery**

- the allocation of public funds on the basis of the demonstrated ability of providers to meet the needs of people in target groups;
- recognising the needs of people in target groups in training design and delivery; and
- implementation strategies to work towards closer alignment of target group representation in VET to their proportion of the general population.

In Tasmania, a pilot project was conducted to increase the number of women participating in VET courses.

In the Northern Territory, planning activities by the Territory Training Board and Advisory Councils are more responsive to Aboriginal needs as a result of greater representation on the councils.

## 2.2 National Strategy

The first National Strategy, *Towards a Skilled Australia*, was released in 1994 for the years 1994-97. Given the extent and pace of change within the Vocational Education and Training system in recent years, in early 1997 the ANTA Board commenced the development of the *National Strategy for VET 1998-2003*.

At the Ministerial Council meeting in May, Ministers noted that, subject to the new ANTA Agreement, ANTA would, in consultation with State, Territories, the Commonwealth and industry, finalise the *National Strategy for VET 1998 - 2003* for consideration by Ministers in November 1997. However, development work on the National Strategy was put on hold pending finalisation of revised national VET arrangements.

Ministers, at their meeting on 23 May 1997, endorsed four objectives for the new National Strategy, agreed a format for the Strategy, and identified a set of issues to form the basis of the development of strategies or targets over coming months. Ministers further considered the objectives of the national system for VET at the 14 November 1997 meeting and agreed the following five key objectives:

- *to equip Australians effectively for the world of work;*
- *to enhance mobility in the labour market;*
- *to overcome the skill development and recognition problems for target groups;*
- *to provide maximum value for public expenditure; and*
- *to increase investment in training by industry.*

The Authority proposes that work should commence on the development of the National Strategy around the four agreed objectives with a view to Ministers considering the draft strategy in May 1998.

## 2.3 Annual National Priorities for 1998

Annual National Priorities represent the key areas of concentration for the national VET system in a given year. In May 1997, Ministers agreed to a set of Annual National Priorities for 1998. The following is a summary of the major outcomes identified for achievement in 1998 under the Annual National Priorities.

### 2.3.1 Implementation of New Apprenticeships, including User Choice

At the 23 May 1997 MINCO meeting, Ministers agreed to the framework for the implementation of New Apprenticeships and the policy for User Choice. New South Wales reserved its position on User Choice. Reference throughout the remainder of this report to the national position in relation to User Choice should be read having regard to the New South Wales position.

**New Apprenticeships makes training an attractive proposition for enterprises**

The aim of New Apprenticeships is to make training, especially entry level training, an attractive business proposition for a much wider range of enterprises, thereby:

- greatly expanding employment and career opportunities, especially for young people; and

- increasing the international competitiveness of Australian enterprises through enhancing workforce skills.

The implementation of New Apprenticeships will be achieved through:

An expansion of employment based training

**Continued growth in employment based training**

Combined apprenticeship and traineeship commencements are expected to increase by 15 per cent between 1997 and 1998. States and Territories in their VET Plans estimate that total commencements should increase to approximately 113,400 in 1998. National Training Packages will be developed to support New Apprenticeships in a wider range of industries.

**Marketing of New Apprenticeships**

The national marketing strategy for New Apprenticeships was launched on 20 August 1997. The first part of the strategy involves a campaign to raise awareness of New Apprenticeships. The campaign will assist local area marketing of apprenticeships and traineeships. States and Territories, as well as industry, have been involved in the development of campaign products which contain generic information that can be customised by the States and Territories to suit their particular needs in relation to New Apprenticeships. More specifically, the marketing materials include:

- a Local Area Marketing Kit for the Commonwealth Employment Service and DEETYA funded intermediaries; and
- both generic and industry specific brochures for employers, and generic brochures for young people.

Streamlining regulatory arrangements

**Regulatory arrangements streamlined**

States/Territories are committed to streamlining regulatory arrangements, with legislation amended or forecast for introduction in late 1997/ early 1998 in most States/Territories to support those arrangements.

Informing clients of their training options and ensuring they are able to negotiate training delivery to suit their needs with funds flowing to the chosen training provider

Under User Choice, apprentices, trainees and their employer will be able to select the training provider of their choice and will be able to negotiate the content, timing, mode of delivery and, as Training Packages become available, the sequencing of training.

**Marketing of User Choice**

A national marketing kit for User Choice is being developed which will provide generic themes, strategies and products which can be customised at the State/Territory and local level to inform clients of their training options. States/Territories are co-ordinating extensive marketing campaigns to support the arrangements. Within the constraints of 'thin markets', first year apprentices and trainees and their employers will be able to negotiate aspects of training as new Training Packages become available. The arrangements will also apply to second, third and forth year apprentices in some States/ Territories.

As User Choice is integral to the introduction of New Apprenticeships, the ANTA Board is concerned that New South Wales has not made a decision to implement User Choice. Furthermore, while recognising the significant change User Choice represents to the management of training systems, industry regards its implementation as essential and its development, at least in some States, is creating some concerns in industry.

At the November 1997 MINCO meeting, *Ministers noted the ANTA Board's continuing concerns about the New South Wales reserved position on User Choice. MINCO noted, however, that New South Wales will allocate $60m through genuinely contestable means for public and private providers in 1998. Ministers urged New South Wales to proceed as rapidly as possible with the implementation of User Choice.*

The establishment of one-stop-shops for New Apprenticeships

**One-stop-shops for New Apprenticeships**

Entry Level Training Support Services (ELTSS) will be contracted by the Commonwealth in the first half of 1998 with effective working relationships established between the ELTSS providers and State Training Authorities.

Victoria has devolved relevant elements of its Training Operations Bureau and Training Development Officers in Shepparton/ Wangaratta, Ballarat, Bendigo and the Eastern suburbs of Melbourne to pilot arrangements. An independent evaluation will be undertaken to inform future outsourcing decisions.

In New South Wales, four demonstration services providing one-stop-shop entry level training support services in partnership with the Commonwealth and industry will be trialed as an industry led integrated approach to the promotion and administration of apprenticeships and traineeships.

### 2.3.2 Expansion of Market Mechanisms

**Competitively determined funding**

All States and Territories are committed to promoting an open training market and plan to increase the amount of funding allocated through competitive processes. It is estimated in 1997 approximately $153m was set aside for allocation on a contestable basis, with the amount expected to increase to around $198m in 1998.

In addition to these funds allocated on a contestable basis, funds will flow to the provider of choice with the implementation of User Choice arrangements. The amount of funds so allocated in 1998 is dependent on the number of apprentice and trainee commencements, but is anticipated to be significant.

To effect the expansion of market mechanisms, some State/ Territory Training Authorities are separating the purchaser and provider (TAFE) functions.

Queensland is expected to have a fully operational department structure reflecting this separation of roles by the end of 1997.

### 2.3.3 Implementation of National Training Framework

All States/Territories have agreed to the implementation of the Australian Recognition Framework, including the agreed National Principles, Standards, performance measures and operational protocols for registration of training organisations and the quality endorsement of those organisations.

Following the transitional arrangements, full mutual recognition of training and training organisations across Australia will be achieved.

**Training Packages available in 1998**

Nationally recognised Training Packages are being developed and will progressively become available throughout 1998. All States/Territories have agreed to the adoption and implementation of these Packages as they become available. The first five Training Packages have been endorsed by Ministers and it is anticipated that a further nine will come on stream by the end of 1997. By the end of 1998, it is expected that 46 Training Packages will be available.

**Easier access to information via the internet**

The National Training Information System (NTIS) has been developed and provides information, via the Internet, on competency standards, courses and training providers. The endorsed components of Training Packages will, in most cases, also be available on the NTIS. The NTIS will be progressively enhanced and updated throughout 1998.

New South Wales is integrating the implementation of the Australian Recognition Framework with its implementation of the NSW Vocational Education and Training Framework to achieve quality assurance and continuous improvement in its system as a whole.

Queensland developed a draft Quality Management Framework with the aim of streamlining the accreditation process and devolving authority to providers to accredit courses. The policy requires that providers achieve eight National Quality Principles to be awarded Quality Endorsed Training status. This will be implemented from 1 January 1998.

### 2.3.4 Provision of greater opportunities and improved outcomes for under-represented clients

States/Territories have outlined a range of initiatives aimed at removing the barriers to access and participation, broadening the range of training opportunities and improving outcomes for those disadvantaged in the labour market.

**Access and equity plans for particular client groups**

States/Territories have adopted within their systems different strategies in response to access and equity considerations. Several States/Territories have developed consolidated access and equity plans for particular client groups. Initiatives outlined by some States and Territories in the 1998 Plans include:

- the development of State/Territory level advisory mechanisms;
- the allocation of specific funds to provide additional training opportunities by some States/Territories;

- the development of strategies for specific client groups; and
- the establishment of State/Territory level advisory arrangements.

The Northern Territory has developed a framework for Aboriginal Vocational Education and Training which aims to ensure training courses are more responsive to Aboriginal needs and maximise their collective impact.

South Australia has established a target of 15% of recruitments of apprentices/ trainees by Group Training Companies to be from under represented client groups.

Specific initiatives in New South Wales include: A Plan of Action for Women in Vocational Education and Training, the VET Strategy for Indigenous People in NSW and an Access, Participation and Outcomes Disability Project.

At the national level, ANTA is focused on:

- turning quality advice from national equity advisory committees into improved policies and practices
- promoting workable solutions for equity
- commencing research and debate on how the coming shift to market driven resource allocation models might best account for equity
- ensuring that access and equity is incorporated into the implementation of New Apprenticeships

### 2.3.5 Value for public expenditure maximised

**Improved planning processes by the States and Territories**

The 1998 VET Plans indicate that further significant improvements have been made to the planning processes adopted by States and Territories. Extensive industry advice, advice on individual client needs, provider responses and analyses of economic and labour market trend data, have all informed State/Territory decisions on planned training activity and support their respective initiatives for 1998.

Ministers, on 25 September 1997, agreed that States/Territories will achieve growth in their vocational education and training systems through efficiencies in accordance with an agreed Memorandum of Understanding. States/Territories and the Commonwealth, as equal partners, will identify and plan for future growth requirements, including requirements arising from major changes in the factors affecting demand. Principles and a framework for identifying efficiency strategies and the measurement of growth through efficiencies are being developed and will be considered by Ministers.

In Queensland, the *Strategic Management Framework for the Queensland Public Service* incorporates directions which are consistent with maximising value for public expenditure. These include: a stronger focus on contestability and competition to determine the best means of delivery; separating the roles of purchaser and provider in government service delivery; introducing greater competition into the delivery of services and infrastructure; developing rigorous monitoring and evaluation systems to ensure that specified outputs are delivered to achieve the desired outcomes; and better targeting of public service activity to match community needs.

In Victoria, continuous improvement initiatives will be undertaken by the Department, Industry Training Boards and Industry Advisory Bodies to ensure improved advice on regional and macro training needs and priorities. In addition, Victoria will be undertaking a research project into resource allocation strategies to improve outcomes against Government training priorities.

In Western Australia, a new model for purchasing training delivery from providers will be further refined in 1998 to enhance alignment of training delivery to industry, regional and community training needs and its capacity to generate improvements in the VET system.

**Review of the capital program**

A major review of the capital program will be undertaken in 1998 aimed at improving efficiency in the use of capital funds in terms of the current and future directions for the VET sector, including responding to major policy developments related to New Apprenticeships, User Choice alternative delivery methods and an expanding training market.

### 2.3.6 Outcomes achieved which meet the needs of small business

**Greater participation in training by small business**

For Australian industry to maximise its contribution to employment growth, small business must participate fully in skill formation processes and must embrace a learning culture. The VET sector needs to become more responsive and client driven to add value to growth strategies for small business.

A major focus in 1998 will seek to maximise participation in training by small business. At the national level, Training Packages will progressively become available which can be used to customise training to meet the needs of small business. States/Territories have outlined a range of responses aimed at improving access, understanding and up-take of training options by small business.

Examples include:

- the development of a small business VET strategy;
- the introduction of part-time apprenticeships and traineeships which will benefit small businesses which may not have the capacity to employ full-time workers;
- specific marketing and promotion;

- participation in the Commonwealth Government's Small Business Best Practice Professional Development Program to increase the involvement of small business in VET; and
- ensuring that the Industry Training Advisory Network represents and addresses the needs of small business.

In Western Australia the Small Business Institute (part of the Northern Metropolitan College of TAFE) will expand a range of small business management courses across the State utilising open learning, telecentres and Internet delivery.

In Tasmania, small business training networks will be supported by a project on recognition of current competencies.

The Australian Capital Territory is developing a comprehensive marketing strategy specifically targeted to small businesses to improve access to training arrangements and is introducing a small business mentoring program.

### 2.3.7 Encouragement of a training culture within industry, including to enhance training of the existing workforce

**Training culture developed through raising awareness of benefits of training**

State/Territory Ministers recognise the importance of developing a training culture to ensure a stronger commitment from industry and workers to vocational education and training. A range of initiatives to raise awareness of the benefits of training, to provide information about training products and services and to encourage joint venture arrangements or contributions by industry have been outlined by States/Territories. Specific initiatives being undertaken by some States/Territories include :

- implementation of specific programs to encourage industry contribution to, or investment in training;
- specific promotional and marketing activities; and
- continuation by some States/Territories in providing training funding support for existing workers who enter apprenticeship and traineeship arrangements.

The Australian Capital Territory will be implementing strategies to enhance relationships with business and professional associations.

Performance agreements, in South Australia, with Industry Training Advisory Boards include a requirement to report on strategies and actions in encouraging industry investment and involvement in training.

### 2.3.8 Training to facilitate State/Territory development

**State and Territory strategies for vocational education and training reflect the needs of their jurisdiction**

In setting the Annual National Priorities for 1998, State/Territory Ministers agreed, not only on the importance of implementing the national reforms for vocational education and training, but on the need to acknowledge the differences between States/Territories and the ability of States/Territories to implement strategies aimed specifically at the needs of particular States/ Territories.

States and Territories have aligned their training needs with their respective Strategic Direction Plans and the needs of industry.

The new strategic directions for the States and Territories focus on economic development opportunities which can generate jobs and create wealth. The State and Territory training priorities outlined in strategic directions statements set the framework for delivery modes, activity and resource allocation for the vocational education and training system in 1998.

In Tasmania, the priorities for State/ Territory Development will be in line with the Premier's Direction Statement. Priority areas outlined in the Directions Statement include: Information Technology, Primary Industry, Aquaculture, Forestry, Mining and Mineral Processing and Tourism.

# 3. Planned Activity

**Each year, the State and Territory training authorities develop a training profile or plan for the coming year. This year, the training plan, known as the Vocational Education and Training (VET) Plan, is based on the 1998 Annual National Priorities. This chapter summarises the amount of training activity to be provided in 1998 and how it will be distributed, compared to previous years. Also included in this section is a summary of the key infrastructure developments for 1998.**

## 3.1 Planned Activity Changes 1995-1998

**The VET system continues to grow**

Planned activity for 1998 and a comparison of this with activity levels from 1994 is shown in Table 3-1. The Table reveals that the national VET system has grown at an average rate of approximately 10.5 million hours or 4.9 per cent between 1994 and 1997, and is expected to grow by 1 per cent in 1998.

**Table 3-1: Growth in VET Activity 1994 to 1998 ('000 Hours)**

| Funding | 1994 | 1995 | 1996* | 1997* | 1998 |
|---|---|---|---|---|---|
| Commonwealth Growth** | | 8,735 | 8,696 | 7,053 | |
| State growth/productivity | | 2,100 | 1,810 | 1,708 | 2,611 |
| Excess over planned | | 1,619 | | | |
| Total Government funded | 211,855 | 224,309 | 234,815 | 243,576 | 246,187 |

* Refers to audited data within the ANTA Agreement scope and boundary and takes into account rebase due to data system improvements.

** Total growth funds available are $70m in each of 1995 and 1996 and $62m in 1997.

## 3.2 Planned Activity in 1998

**Training provision will increase by 1.3 million enrolments**

Overall, for 1998 the system will deliver approximately 246 million Annual Hours of Curriculum (AHC), equating to around 1.3 million enrolments. The increase of 2.6 million contact hours from 1997 in turn represents nearly 25,000 extra enrolments.

Expected changes to training activity levels between 1997 and 1998 for each State and Territory, in terms of both hours and enrolments, are shown in Appendix B. States and Territories showing growth between 1997 and 1998 include Queensland, South Australia, Tasmania and the Northern Territory.

## 3.3 Relative costs and relative effort

Information on relative costs and relative effort provides an important overview of the efficiency and quantity of State/Territory VET provision. The importance of these two issues has been reflected in a series of Ministerial decisions since 1993.

**Future work on growth and efficiency**

In *Directions and Resource Allocations for 1997*, the Authority noted that many States and Territories appeared to be underachieving in relative terms and did not appear to anticipate growth in activity funded by base funds (as opposed to Commonwealth Growth Funds). The Authority noted that further work was to be undertaken on these issues through the Performance Review Committee (PRC).

The examination of relative costs and relative effort by the PRC in 1997 has involved further analysis of 1995 and 1996 data and the production of relative costs and relative effort indicators in Volume 3 of the 1996 Annual National Report (*Benchmarking VET*).

Notwithstanding significant progress made in this area, the Authority considers that the VET system needs to continue its work on the issues of relative costs and relative effort.

### 3.3.1 Relative Costs

Table 3-2 shows the cost per annual hour curriculum for government funded activity for 1996, 1997 and 1998.

The table shows that overall nominal unit costs for 1998 will be approximately $11.5 per AHC, compared with $11.3 per AHC in 1997 and $11.1 per AHC in 1996. It appears that some jurisdictions are reducing their relative costs of delivery, whilst others have exhibited a slight increase in their relative costs of delivery.

Table 3-2: **Nominal Cost per Annual Hour Curriculum for Total Government Funded Activity 1996, 1997 and 1998 ($, unweighted)**

| | 1996 | 1997 | 1998 |
|---|---|---|---|
| NSW | 11.2 | 11.5 | 11.8 |
| VIC | 9.6 | 9.8 | 9.9 |
| QLD | 10.7 | 10.3 | 10.2 |
| SA | 14.0 | 14.0 | 14.1 |
| WA | 11.3 | 12.2 | 12.3 |
| TAS | 14.8 | 15.6 | 15.5 |
| NT | 22.0 | 19.9 | 19.6 |
| ACT | 15.3 | 14.9 | 15.4 |
| AUS | 11.1 | 11.3 | 11.5 |

Notes:
1. All data is adjusted for 1996 confirmed invalid module enrolments. Data is not weighted for Commonwealth Grants Commission factors.
2. Activity estimates for ACT in 1997 is overstated as traineeships outside NVETS Agreement have been included. Thus the unit cost for 1997 for the ACT is understated.
3. NSW is shown as preliminary figures as activity levels are subject to audit for 1996.

Source: *Annual National Report (Volume 3)*; 1997 and 1998 State/Territory VET Plans

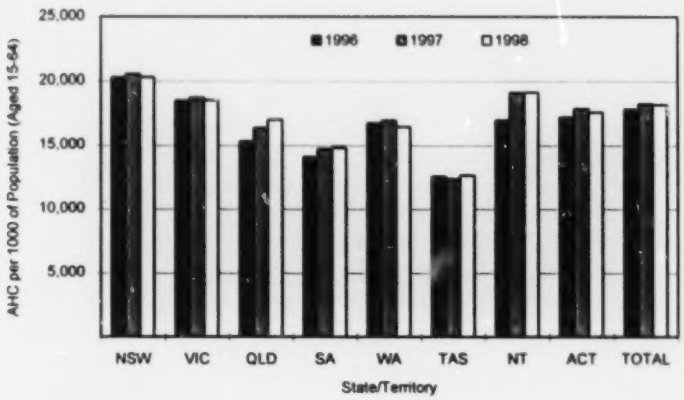
**Training delivery at lower unit costs will result in more training**

As noted in previous *Directions and Resource Allocations* Reports (for 1996 and 1997), significant dividends in terms of increased training activity will be achieved if States and Territories are able to deliver training at unit costs similar to the unit costs of the lowest cost jurisdictions.

### 3.3.2 Relative Effort

The Performance Review Committee also addressed the issue of relative effort (the planned government VET provision per capita) in 1997. Figure 3-1 below outlines the likely relative effort of States and Territories from 1996 to 1998.

**Figure 3-1**: Government Funded Hours per 1000 of Population (1996-1998)




Note: All AHC data is adjusted for 1996 invalid module enrolments.

Source: ABS, *Estimated Resident Population* (June 1997) and 1998 State/Territory VET Plans.

The figure indicates that approximately 18,178 AHC will be delivered per 1,000 of the population (aged 15-64). This compares with 18,198 in 1997 and 17,796 in 1996.

States and Territories with a higher relative effort include New South Wales, Victoria and the Northern Territory. Jurisdictions with lower relative effort include Tasmania and South Australia. Some States, such as Queensland and South Australia, appear to be consistently increasing their relative effort and thus their skills base.

Furthermore, an examination of the data provided by the States and Territories on training expenditure and expected activity in 1996 also provides an insight into differences in the relative effort of the States and Territories. Table 3-3 provides a summary of this information.

**Table 3-3**: 1996 Population, Activity and Expenditure Share by State/Territory (Per Cent)

| | Population Share | Adjusted AHC[1] | Total Funds Expenditure [2] |
|---|---|---|---|
| NSW | 33.7 | 38.4 | 38.5 |
| VIC | 25.0 | 25.9 | 22.4 |
| QLD | 18.3 | 15.7 | 15.2 |
| SA | 7.9 | 6.3 | 7.9 |
| WA | 9.8 | 9.2 | 9.3 |
| TAS | 2.5 | 1.8 | 2.4 |
| NT | 1.0 | 1.0 | 2.0 |
| ACT | 1.8 | 1.7 | 2.4 |
| TOTAL | 100.0 | 100.0 | 100.0 |

1. Data is adjusted for 1996 invalid module enrolments.
2. Includes all Commonwealth and State/Territory vocational education and training funds excluding expenditure on Capital, Interstate Cooperative Projects and National Projects.

Source: ABS, *Estimated Resident Population* (Aged 15-64) (June 1996); NCVER, *Interim State/Territory Audit Verification Reports* 1996; Financial MOE information provided to ANTA.

States and Territories which appear to deliver more government funded VET (according to adjusted AHC) than their population share include New South Wales and Victoria, whilst Queensland, South Australia, Western Australia, Tasmania and the Australian Capital Territory deliver less government funded AHC than their population share. Table 3-3 also highlights the relative effort and efficiency between States/Territories.

## 3.4 Data Issues and Key Performance Measures

Following concerns expressed by Ministers in 1995 that 1994 calendar year VET data on key performance measures for VET was not comparable, the Boston Consulting Group (BCG) Report, *Review of Implementation of Performance Measurement in VET* (December 1995), was commissioned by ANTA.

The BCG report recommended that:

- a set of Key Performance Measures (KPMs) be developed for the long term;
- the management information system be improved to the point where it provides valid and reliable data; and
- in the interim, an independent adjuster be appointed to produce valid data.

These recommendations have since been implemented.

Notwithstanding significant progress made during 1995, 1996 and 1997, the Authority considers that there is a continued need to improve data quality and performance measures, which will require further work during 1998.

### 3.4.1 Key Performance Measures for the future

**KPMs should focus on VET outputs and outcomes**

The Performance Review Committee (PRC) was established in late 1996 to advance the issue of an appropriate set of KPMs for the future. The final Report of the Committee is available for consideration by Ministers. The final Report recommends that the set of KPMs should focus on VET outputs and outcomes and relate to the key objectives and core business of VET.

The set of KPMs recommended by the PRC are as follows:

| | |
|---|---|
| KPM 1 | Skill outputs produced annually within the domain of formally recognised VET |
| KPM 2 | Stocks of VET skills against desired levels (including expressed industry demand) |
| KPM 3 | Employers' views on the relevance of skills acquired through VET |
| KPM 4 | Student employment outcomes and prospects before and after participation in VET |
| KPM 5 | VET participation, outputs and outcomes achieved by client groups |
| KPM 6 | (Actual) public expenditure per publicly funded output |
| KPM 7 | (Actual) public expenditure per total recognised output |

Until the new efficiency measure (KPM 6) is implemented, the PRC recommends that $/AHC (government expenditure per annual hours curriculum) continue to be used as a useful and valid measure of throughput efficiency.

As a result of analysis of 1995 and 1996 KPM data on this particular efficiency measure, agreed adjustments that make VET unit costs data comparable between jurisdictions have been determined. Accordingly, the reasons for differences between unit costs can become a focus of attention in 1998.

However, it remains of concern to the Authority, the extent of the adjustments required to account for enrolments and associated hours that cannot be verified and the extent of the rebasing that continues in some States/ Territories as they clean their data.

**Need for a detailed implementation plan**

The proposed set of KPMs for the future pose challenging but manageable implementation issues that are outlined in the final report of the committee. To allow time for the various issues to be resolved through projects outlined in the report, implementation of the measures is proposed to occur over a five year period with a transition to, and trialing of, the new measures occurring during this time.

A detailed implementation plan is the recommended next step for consideration by Ministers in the first half of 1998. *In November 1997, Ministers noted that this implementation plan will include an assessment of the cost implication for States/Territories.*

### 3.4.2 National Management Information System

As the VET system has changed over the past decade, the need for robust, objective and reliable information to assist Ministers in taking key decisions about the direction of VET has become more critical. In response to this need to reassess the information needs of the VET system and, to support the work of the PRC on key performance measures for VET, the reconstituted National Advisory Committee for Vocational Education and Training Statistics has undertaken a National Management Information Review. As a result of the review, an *Integrated National VET Information Program* is being developed for consideration by Ministers with the complementary objectives of:

**National Information Review**

- enabling national accountability and performance measurement around any agreed national KPMs adopted by VET Ministers; and
- supporting the development and enhancement of Australia's VET system.

The key principles of the Integrated National VET Information Program are:

- a strong client focus;
- quality in data collecting and reporting;
- objectivity and integrity in collection and analysis of information;
- timeliness and accessibility of the information to end users of statistics;
- confidentiality to protect the privacy of individuals and suppliers of information under agreed protocols;
- credibility and independence of the data collection agency;
- cost effective collection systems; and
- an agreed basis and common understanding of scope, use and access to data.

The Program is expected to be considered by Ministers in early 1998.

## 3.5 Distribution between Training Areas

Training provision will progressively shift into growth areas of the economy in 1998. As illustrated in Table 3-4, the largest increase in training provision will occur in the services sector, which will absorb 81 per cent of the growth in AHC and 24 per cent of the growth in enrolments.

**ble 3-4**: Total Government Activity (AHC and Enrolments) for 1997 and 1998 by Broad Training Area

| | 1997 Revised | | 1998 Projected | | Change | |
|---|---|---|---|---|---|---|
| **AHC ('000)** | | Per cent | | Per cent | | % of overall change |
| Manuf, Rural & Constr. | 82,544 | 33.9 | 83,752 | 34.0 | 1,208 | 46.3 |
| Services | 68,861 | 28.3 | 70,979 | 28.8 | 2,118 | 81.1 |
| Business | 55,343 | 22.7 | 54,950 | 22.3 | 393 | -15.1 |
| General Education | 36,524 | 15.0 | 36,225 | 14.7 | -299 | -11.5 |
| Unallocated | 304 | 0.1 | 281 | 0.1 | -23 | -0.9 |
| Total | 243,576 | 100.0 | 246,187 | 100.0 | 2,611 | 100.0 |
| **Enrolments** | | Per cent | | Per cent | | Per cent |
| Manuf, Rural & Constr. | 421,308 | 31.1 | 432,405 | 31.3 | 11,097 | 44.6 |
| Services | 307,614 | 22.7 | 314,832 | 22.8 | 7,218 | 29.0 |
| Business | 334,118 | 24.6 | 338,595 | 24.5 | 4,477 | 18.0 |
| General Education | 292,239 | 21.5 | 294,383 | 21.3 | 2,144 | 8.6 |
| Unallocated | 1,090 | 0.1 | 1,050 | 0.1 | -40 | -0.2 |
| Total | 1,356,369 | 100.0 | 1,381,265 | 100.0 | 24,896 | 100.0 |

Notes: Broad training areas are categorised according to ASCO classifications.

***Manufacturing, Rural and Construction*** includes *Automotive, Building and Construction, Food processing, Textile, Clothing, Footwear and Furnishings, Engineering and Mining, Primary Industry, Process Manufacturing, Utilities,* and *Science, Technical and Other.*

***Services*** includes *Arts, Entertainment, Sport and Recreation, Community Services, Health and Education, Finance, Banking and Insurance (including Property Services), Communications, Sales and Personal Services, Tourism and Hospitality,* and *Transport and Storage.*

***Business*** includes *Business and Clerical,* and *Computing.*

***General*** refers to *General Education and Training.*

Source: 1998 State/Territory VET Plans

Increases in activity will continue to occur nationally in most industry training areas. The shifts are outlined in Table 3-5 below.

Increases in provision will occur in areas that have not been major recipients of publicly funded VET in the past, including *Transport and Storage,* (35.9 per cent increase), *Process Manufacturing* (11.4 per cent increase), *Food Processing* (7.5 per cent increase), and *Sales and Personnel Services* (7.4 per cent increase).

*Building and Construction, Community Services, Health and Education, Engineering and Mining,* and *Tourism and Hospitality,* which represent areas of economic expansion and unmet demand, will continue to receive a proportion of the overall increase in activity.

**Table 3-5:** Key National Shifts in Activity (AHC '000s) Between 1997 Revised Estimates and 1998 Projected Activity

| Industry Training Area | 1997 Revised (AHC) | 1998 Projected (AHC) | Total Shift | Total Shift as % of 1997 Revised | % of Overall Shift |
|---|---|---|---|---|---|
| **Category A** | | | | | |
| Arts, Entertainment, Sports & Rec | 12,849 | 12,699 | -150 | -1.17 | -5.74 |
| Automotive | 8,349 | 8,556 | 207 | 2.48 | 7.94 |
| Building and Construction | 16,095 | 16,251 | 156 | 0.97 | 5.98 |
| Community Services, Health & Ed | 23,368 | 23,561 | 193 | 0.83 | 7.40 |
| Finance, Banking & Insurance | 2,898 | 3,014 | 116 | 4.01 | 4.45 |
| Food Processing | 3,309 | 3,557 | 248 | 7.50 | 9.50 |
| TCF and Furnishings | 4,941 | 4,970 | 30 | 0.60 | 1.14 |
| Communications | 1,998 | 2,110 | 112 | 5.60 | 4.29 |
| Engineering and Mining | 15,274 | 15,605 | 331 | 2.17 | 12.68 |
| Primary Industry | 12,492 | 13,037 | 545 | 4.36 | 20.88 |
| Process Manufacturing | 551 | 613 | 63 | 11.4 | 2.41 |
| Sales and Personal Service | 7,370 | 7,919 | 549 | 7.44 | 21.01 |
| Tourism and Hospitality | 18,667 | 19,351 | 684 | 3.66 | 26.19 |
| Transport and Storage | 1,711 | 2,325 | 614 | 35.91 | 23.53 |
| Utilities | 11,380 | 11,336 | -44 | -0.39 | -1.70 |
| | 0 | 0 | | | |
| **Category B** | 0 | 0 | | | |
| Business and Clerical | 42,237 | 41,667 | -571 | -1.35 | -21.87 |
| Computing | 13,106 | 13,283 | 177 | 1.35 | 6.78 |
| Science, Technical and Other | 10,153 | 9,827 | -326 | -3.22 | -12.50 |
| | 0 | 0 | | | |
| **Category C** | 0 | 0 | | | |
| General Education and Training | 36,524 | 36,225 | -299 | -0.82 | -11.45 |
| Unallocated | 304 | 280 | -24 | -7.80 | -0.91 |
| **Total** | **243,576** | **246,187** | **2,611** | **1.07** | **100.00** |

Source : 1998 State/Territory VET Plans

The overall movement of activity across training areas can be an important indicator of the responsiveness of the VET system and evidence of whether it is demand driven or supply driven.

**Lack of national shifts in activity indicate a strong supply focus**

As was the case in the 1997 report, the Authority acknowledges that the movement of activity from one area to another reflects resourcing issues within the States and Territories. Nevertheless, if a demand-driven VET system is to be achieved, greater attention will need to be focused on shifts within the base.

Other variations also occur between States and Territories in relation to trends in VET provision. Table 3-6 shows the summary of the training areas that will expand significantly from 1997 to 1998.

**Table 3-6:** Trends in Training Provision State by State

| | Training Areas to receive most government provision in 1998 | Training areas to attract the greatest increase in government provision from 1997 - 1998 |
|---|---|---|
| New South Wales | Business and Clerical<br>General Education and Training<br>Community Services, Health and Education | Tourism and Hospitality<br>Transport and Storage |
| Victoria | Business and Clerical<br>General Education and Training<br>Community Services, Health and Education | Transport and Storage<br>Automotive |
| Queensland | Business and Clerical<br>General Education and Training<br>Community Services, Health and Education | Engineering and Mining<br>Sales and Personal Service |
| South Australia | Business and Clerical<br>General Education and Training<br>Community Services, Health and Education | Business and Clerical<br>Community Services, Health and Education |
| Western Australia | Business and Clerical<br>Community Services, Health and Education<br>General Education and Training | Engineering and Mining<br>Food Processing |
| Tasmania | Business and Clerical<br>Engineering and Mining<br>Community Services, Health and Education | Computing<br>Primary Industry |
| Northern Territory | General Education and Training<br>Community Services, Health and Education<br>Business and Clerical | Community Services, Health and Education<br>Business and Clerical |
| Australian Capital Territory | Business and Clerical<br>Tourism and Hospitality<br>Community Services, Health and Education | Communications |

Source: 1998 State/Territory VET Plans

## 3.6 Distribution between Occupational Levels

The dispersion of VET provision over the four occupational levels for 1998 is illustrated in Table 3-7 below.

**Table 3-7 :** Total Government Funded Activity 1998 (by Occupational Level)

| | AHC ('000) | | | | Enrolments | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | | Growth | | Total | | Growth | |
| | | % | | % | | % | | % |
| General/Unspecified | 44,049 | 17.9 | -681 | -26.1 | 331,579 | 24.0 | 3,096 | 12.4 |
| Operative/Clerical | 71,451 | 29.0 | 5,647 | 216.3 | 405,119 | 29.3 | 32,813 | 131.8 |
| Trades | 46,981 | 19.1 | -680 | -26.0 | 191,226 | 13.8 | -2,689 | -10.8 |
| Professional/Paraprof | 80,873 | 32.9 | -1,680 | -64.3 | 373,811 | 27.1 | -9,585 | -38.5 |
| Module Only Activity | 2,668 | 1.1 | 32 | 1.2 | 78,480 | 5.7 | 939 | 3.8 |
| Unallocated | 165 | 0.07 | -27 | -1.0 | 1,050 | 0.08 | 322 | 1.3 |
| Total | 246,187 | 100.00 | 2611 | 100.00 | 1,381,265 | 99.92 | 24,896 | 100.00 |

Source: State/Territory 1998 Annual VET Plans

As demonstrated in Table 3-8 below, VET provision will increase at the *Operative/Clerical* occupational level in 1998, receiving an increase of more than double the overall increase in activity between 1997 and 1998. All States and Territories intend to increase their activity at the *Occupational/Clerical* level.

**Table 3-8:** National Shifts in Activity (AHC '000s) Between 1997 and 1998 (by Occupational Level)

| Occupational Level | 1997 Revised | 1998 Projected | Total Shift | Total Shift as % of 1997 Revised | % of Overall Shift |
|---|---|---|---|---|---|
| General/Unspecified | 44,730 | 44,049 | -681 | -1.5 | -26.1 |
| Operative | 65,804 | 71,451 | 5,647 | 8.6 | 216.3 |
| Trades | 47,661 | 46,981 | -680 | -1.4 | -26.0 |
| Prof/Paraprofessional | 82,553 | 80,873 | -1,680 | -2.0 | -64.3 |
| Module Only Activity | 2,636 | 2,668 | 32 | 1.2 | 1.2 |
| Not Allocated | 192 | 165 | -27 | -16.4 | -1.0 |
| Total | 243,576 | 246,187 | 2,611 | 1.1 | 100 |

Source: State/Territory 1998 Annual VET Plans

In 1998, *Operative/Clerical* level training will increase by 8.6 per cent over 1997, while training at the other occupational levels will remain relatively stable or reduce slightly. This in part reflects the significant increase expected in traineeship commencements.

Industry training areas that will considerably expand operative level training include *Community Services, Health and Education, Engineering and Mining, Sales and Personnel Services,* and *Tourism and Hospitality.*

## 3.7 New Apprenticeships

In May 1997, Ministers agreed to a comprehensive set of recommendations from the ANTA Board which formed the basis of a detailed policy framework for the implementation of New Apprenticeships from 1 January 1998. Information on the implementation of New Apprenticeships is reported to Ministers separately.

The 1998 VET Plans provide information on projected commencements for apprentices and trainees to 1999. These projections reflect individual State and Territory views on the extent to which suitable jobs will be created. The link to employment and the overall state of the labour market may impact on projected commencements.

**Significant increases in New Apprenticeships**

States and Territories are expecting a significant increase in traineeship commencements during 1997, mainly in *Automotive, Building and Construction, Business and Clerical, Community Services, Health and Education, Engineering and Mining, Tourism and Hospitality,* and *Personal Services.* This is expected to continue in 1998.

From the figures in Table 3.9 below, an increase in apprentice recruitment activity is expected in 1997 and a further increase is expected in 1998 with the introduction of New Apprenticeships.

Combined apprenticeship and traineeship commencements increased from 63,213 in 1995 to 75,464 in 1996. It is projected that combined commencements will amount to 98,574 in 1997 and 113,440 in 1998. Apprenticeship and traineeship commencement projections are shown in Table 3-9. 1997 is the first year to show a greater number of traineeship commencements over apprenticeship commencements.

**Table 3-9:** Apprentice and Trainee Commencement Projections

| | Apprentices | Trainees | Total Commencements |
|---|---|---|---|
| 1995 | 43,074 | 20,139 | 63,213 |
| 1996 | 39,840 | 35,624 | 75,464 |
| 1997 | 43,423 | 55,151 | 98,574 |
| 1998 | 46,100 | 67,340 | 113,440 |

Source : State/Territory Annual VET Plans

## 3.8 Language, literacy and numeracy

ANTA distributes $7m of Commonwealth funds under the Recurrent Literacy program. States and Territories also allocate additional funds specifically towards Language, Literacy and Numeracy training. In previous years, State/Territory profiles only included activity in relation to the $7m of Commonwealth funds. For 1998, States and Territories have provided information on projected training delivery and other literacy initiatives purchased with these funds and, in some cases, State/ Territory funds.

**Consolidation of language, literacy and numeracy programs**

The majority of States and Territories have consolidated their planned language, literacy and numeracy programs through their Collaborative Adult English Language and Literacy Implementation Groups. These Groups work collaboratively with State Training Authorities, the Commonwealth, regional groups and industry to ensure that literacy planning takes account of the needs of the community.

The priority areas for 1998 include:

- integration of language, literacy and numeracy into vocational courses;
- provision of small business management training for people from non-English speaking backgrounds;
- trialing different technologies in the delivery of language, literacy and numeracy; and
- development of curriculum and resources to support training in language, literacy and numeracy.

Through the Workplace English Language and Literacy (WELL) Program, a $1.5m project for addressing workplace communication in Training Packages is being undertaken. The aim of the project is to improve industry competency standards in terms of their development of language, literacy and numeracy and to also develop language, literacy and numeracy support materials within national Training Packages. Outcomes of the project will include industry-specific language and literacy resources, case studies and promotional materials on the project and generic resources to guide the incorporation of language, literacy and numeracy into Training Packages.

## 3.9 National Projects

All States and Territories have made a commitment to the further development of the national vocational education and training system in 1998 through participation in a number of national projects. Funding for these projects is provided through the Commonwealth *Vocational Education and Training Funding Act 1992*. In 1998, $23m has been nominally allocated for National Projects.

1998 National Projects will be categorised under the following broad headings which are related to the outcomes for the VET system for 1998 represented by the Annual National Priorities:

- Statistics
- System Development
- Quality Assurance
- Research
- Communication and Information
- Professional Development

A number of individual project areas have been identified under these headings. The actual amount for individual projects will be agreed through a process involving the Commonwealth and States/Territories, facilitated by ANTA, and will be reported to Ministers.

### 3.10 Infrastructure Developments

The Authority provides Commonwealth sourced capital funding assistance to the VET sector through the Infrastructure Program. Funds are provided for the construction or refurbishment of major training facilities for TAFE Colleges, as well as for the purchase of training equipment, child care centres and student residences. The industry based Skill Centre component of the Program provides capital funding assistance for the establishment or expansion of industry owned and operated training facilities as part of the expanded training market.

In addition, under the Aboriginal and Torres Strait Islander Facilities component, funds are provided for equipment and for the construction of training facilities independently managed by and for Aboriginal and Torres Strait Islander peoples.

**New initiative: Skill Centres for Schools Students**

A new initiative, introduced in 1997, was the Skill Centres for School Students component, which provides capital funding assistance for the establishment or expansion of VET training facilities to further develop opportunities for year 11 and 12 students undertaking VET studies. This initiative will continue in 1998.

The Infrastructure Program is funded under the Vocational Educational and Training Funding Act. The level of funding available for 1998 is $200m which is the same level as for the previous year. The funding is made up of the following components:

- major building projects, equipment acquisition, Child Care Centres and student residences ($180m);
- Industry based Skill Centres ($10m);
- Skill Centres for School Students ($5m); and
- Aboriginal and Torres Strait Islander Facilities ($5m).

In 1998, in addition to the $200m available for ANTA sources, planned expenditure by States/Territories on capital is estimated to be $128m, bringing the total estimated investment in capital for 1998 to $328m.

**States and Territories determine capital investment priorities**

States/Territories have the major responsibility for determining capital investment priorities within their strategic planning processes as part of their VET Plan under the new business arrangements. These are reflected in State/Territory Capital Development Plans (CDPs).

Ministers agreed in 1995 that, in relation to maintenance of effort, capital expenditure by States/Territories should be examined separately from recurrent expenditure, with the objective of maintaining an appropriate share of capital investment between the two levels of government. Accordingly, a judgement is made in relation to whether appropriate shares in capital investment have been maintained, taking into account the following:

- the historical level of contributions from State/Territories and the Commonwealth;
- the proposed contributions for each year;
- the needs of each State/Territory each year as evidenced in the Capital Development Plans; and
- a five year average expenditure on capital, if necessary.

For 1998, a number of variations to indicative allocations have been made at the request of States/Territories to reflect cash flows. Based on the above criteria and the estimated expenditure figures available, all States and Territories are considered to have maintained appropriate shares in capital investment.

**Review of Infrastructure Program**

Terms of Reference for a major review of the Infrastructure Program have been developed and it is expected that this should be completed during 1998.

### 3.10.1 Major Building Projects, Equipment Acquisition, Child Care Centres and Student Residences

Allocations for major building projects from both ANTA and State/Territory sources are made up of projects which are under construction from 1997 and continuing into 1998, as well as new construction projects planned to commence in 1998 and design and documentation for major projects which are planned to commence in future years.

These projects will provide a wide range of training facilities for the VET system, spread across metropolitan areas, major provincial centres and rural areas. As well as providing increased general teaching facilities, they include specialist learning facilities in areas of growth, learning resource centres and student amenities. The majority of these facilities are located in TAFE Institutes, however there are projects involving joint ventures with industry and between TAFE and Higher Education institutions.

The trend evident over the last few years, towards expenditure on the refurbishment of existing facilities as opposed to new construction continues to develop. This reflects decisions taken by States/Territories to make more efficient use of capital facilities and to change the use of existing facilities which are no longer able to be used for their original design purpose.

**Investment in technology**

The increase in expenditure in the equipment component which has been reported in previous years is also continuing, as States/Territories implement new technology strategies to meet emerging flexible delivery mechanisms. In particular, Program funds are being used for advanced computer, multi-media and communications equipment. These reflect decisions to invest in new equipment and technology rather than in new buildings.

Data on major capital projects undertaken across the VET system continues to be collected. The Data Base now contains details relating to more than 180 major capital projects dating back to 1994. Benchmarks relating to capital have yet to be developed. It is expected that these will be agreed following the Review of the Infrastructure Program during 1998.

Improved procedures relating to new capital investment decisions and asset management generally, continue to be introduced in all State/Territory VET systems. The application of these procedures should ensure that the most efficient use of available capital funds occurs.

In 1997, four States requested changes to the planned cash flow for major projects, resulting in increases and reductions in the level of funds paid during 1997. The 1998 allocations reflects these changes.

### 3.10.2 Industry Based Skill Centres

This component of the Infrastructure Program provides capital funding assistance to industry, community and regional groups to establish or expand industry owned and operated training facilities as part of the expanded training market. Under the Program guidelines, industry must contribute half of the capital establishment costs and be able to demonstrate long term financial viability as a training provider.

As for 1997, a further $10m will be available for 1998. This will meet the carry over funding commitments for some projects approved in 1997, while still allowing adequate funds for new 1998 proposals to be considered.

The development of proposals under this Program is the responsibility of State and Territory Training Authorities and it is usual for long lead times to be involved for the negotiations. Despite this, the number and quality of proposals continues to improve and this could be expected to continue during 1998.

### 3.10.3 Skills Centres for School Students

This initiative was introduced in 1997, with $5m being allocated. Following the agreement by Ministers to guidelines, proposals were considered and approved for most States/Territories during the year.

**$5m allocated to Schools**

The major objective of this initiative is to further the development of VET for year 11 and year 12 students, by providing capital funding assistance to assist in the establishment of additional training facilities for school students. These facilities are expected to not only provide additional opportunities to undertake VET, but to help students adapt to new and advanced technology.

In 1997, a small number of pilot projects were approved. As these have only recently been established, no evaluation has yet been able to be made of this initiative. Such an evaluation will be undertaken during 1998. In the meantime, further pilot proposals will be developed by State/Territory Training Authorities for approval in 1998.

### 3.10.4 Aboriginal and Torres Strait Islander Facilities

A total of $15m is being provided from the Infrastructure Program over the period 1996 to 1998 for capital investment in VET training facilities managed by and for Aboriginal and Torres Strait Islander peoples. $5m was set aside in both 1996 and 1997, with the remaining $5m included for 1998.

Projects to allocate the total amount have been approved in all States/Territories to date except Queensland, where proposals are being developed. The approved projects have taken a considerable time to get underway, with little of the available allocation being requested during 1996 and 1997. It is expected that the remaining available funds will be taken during 1998 to provide the much needed additional facilities for these providers.

# 4. Funding Arrangements

**The ability to plan for development in the VET system depends on the amount and distribution of two funding groups; recurrent and infrastructure. This chapter details the proposed allocations of these sources for each State and Territory.**

## 4.1 Funding arrangements for 1998

**Recurrent funding totals $690m**

Commonwealth recurrent funding is close to $690m, of which $20m is set aside for VET in Schools and $23m for National Projects. In addition, $21.5m is available for additional traineeship places. It is anticipated that these funds will be rolled into recurrent funds subject to passage by the Commonwealth Parliament of changes to the *Vocational Education and Training Funding Act 1992*. Commonwealth capital funding for 1998 is $200m. The breakdown of total State/Territory and Commonwealth expenditure on vocational education and training is contained in Table 4-1.

## 4.2 Approval of Annual VET Plans

Subject to the decisions of the Ministerial Council on a new ANTA Agreement, including the framework on growth through efficiencies and final activity tables to be submitted for consideration by Ministers in February/March, the Annual VET Plans presented by Victoria, Queensland, Western Australia, South Australia, Tasmania, the Northern Territory and the Australian Capital Territory are recommended for approval without conditions. Appendix A sets out the maintenance of effort factors relevant to these recommendations.

**Responses from States and Territories**

New South Wales has provided positive responses to the Annual National Priorities, with the exception of User Choice where New South Wales maintains its reserved position. The Authority believes that User Choice is integral to the successful implementation of New Apprenticeships and views with concern the New South Wales reserved position. Accordingly, the Authority recommends that the Ministerial Council consider the New South Wales Annual VET Plan in light of the New South Wales position on User Choice and the Board's continuing concern with that position (*see final MINCO resolution).*

## 4.3 Infrastructure funding for 1998

In keeping with previous decisions of the Ministerial Council, it is proposed that the level of funding for expenditure of a capital nature in 1998 should be $200m. This is the same level as for 1997.

The proposed 1998 Infrastructure Program allocations for each State and Territory, as well as for other components of the Program are set out in Table 4-1. The allocation for New South Wales is subject to Ministerial Council consideration of the New South Wales Annual VET Plan.

The allocations reflect the approved changes in cash flow requested by four States in relation to major projects in the 1997 Program, with implications for 1998 and 1999. Variations to draft Capital Development Plans (CDPs) may need to be made early in 1998 to take account of the final payments by States/Territories for existing 1997 major projects.

**Capital funds total $200m**

A further $10m is proposed for Industry Based Skill Centre projects. The distribution of funds for approved projects will be finalised during the year in consultation with States/Territories as proposals are developed. This will meet the cost of new projects approved in 1998, as well as funding commitments for some 1997 approved projects.

Approvals for projects in all States/Territories, except Queensland, under the Aboriginal and Torres Strait Islander Facilities component of the Program have been determined. The final allocation of $5m under this initiative, of the total allocation of $15m over three years, will be made in 1998. This, along with some funds yet to be paid from the 1997 allocation, will meet cash flow requirements for approved projects.

Due to the nature of capital programs and changes in priorities and processes by which Capital Development Plans have been prepared, it is likely that during the year, some States/Territories may find it necessary to seek an amendment to their approved Capital Development Plans. As for previous years, provided such changes are consistent with the overall VET Plan directions, it is proposed that they be approved by the Authority.

## 4.4 Total Funding Outcomes for 1998

### Table 4-1: Summary of Planned Expenditure for 1998. ($'000)

| | State Funds | C'wealth Base Funds | OTJ Conditional Funds | Total |
|---|---|---|---|---|
| **Recurrent:** | | | | |
| New South Wales | 786,400 | 217,008 | 7,241 | 1,010,650 |
| Victoria | 407,760 | 155,716 | 5,339 | 568,815 |
| Queensland | 295,070 | 105,413 | 4,008 | 404,491 |
| South Australia | 150,910 | 50,907 | 1,681 | 203,498 |
| Western Australia | 190,030 | 59,012 | 2,129 | 251,171 |
| Tasmania | 41,960 | 18,074 | 532 | 60,565 |
| Northern Territory | 43,000 | 7,006 | 231 | 50,237 |
| Australian Capital Territory | 47,450 | 12,691 | 385 | 60,526 |
| VET In Schools | | 20,000 | | 20,000 |
| National Projects | | 23,000 | | 23,000 |
| Publication of TAFE Statistics | | 212 | | 212 |
| *Total Recurrent* | *1,962,580* | *669,039* | *21,546* | *2,653,165* |
| **Capital:** | | | | |
| New South Wales | 49,600 | 62,640 | | 112,240 |
| Victoria | 28,500 | 40,500 | | 69,000 |
| Queensland | 20,166 | 28,255 | | 48,421 |
| South Australia | 13,580 | 16,440 | | 30,020 |
| Western Australia | 10,271 | 16,200 | | 26,471 |
| Tasmania | 2,596 | 9,600 | | 12,196 |
| Northern Territory | 350 | 3,860 | | 4,210 |
| Australian Capital Territory | 3,033 | 2,880 | | 5,913 |
| Cash flow adjustment from 1997 | | -375 | | -375 |
| Total | 128,096 | 180,000 | | 308,096 |
| Industry Based Skills Centres | | 10,000 | | 10,000 |
| Skills Centres for school students | | 5,000 | | 5,000 |
| Aboriginal and Torres Strait Islander Capital Projects | | 5,000 | | 5,000 |
| *Total Capital* | *128,096* | *200,000* | | *328,096* |
| **Total** | **2,090,676** | **889,039** | **21,546** | **2,981,261** |

Note : Final 1997 funding includes price indexation of $17.938m

: Total Commonwealth funding for 1998 (including $7m for recurrent literacy funding) reflects agreement by State and Territory Ministers on 25 September 1997 to funding under a revised ANTA Agreement. These funds do not include price indexation for 1998.

: Indicative capital allocations for 1998 take account of cash flow variations for 1997, 1998 and 1999 requested by a number of States/Territories

: State/Territory estimated expenditure figures for capital provided as part of maintenance of effort advice

: It is expected that OTJ Conditional funds will be rolled-in to recurrent funds subject to passage by the Commonwealth Parliament of changes to the *Vocational Education and Training Funding Act 1992*.

# 5. Recommendations

**The Authority makes the following recommendations to the Ministerial Council:**

## 5.1 Annual VET Plans

Subject to the decisions of the Ministerial Council on a new ANTA Agreement including the framework for growth through efficiencies, and final activity tables to be submitted in February/March, the Authority recommends that the Ministerial Council:

a) approve the Annual VET Plans presented by Victoria, Queensland, Western Australia, South Australia, Tasmania, the Northern Territory and the Australian Capital Territory;

b) note the ANTA Board's continuing concerns about the New South Wales reserved position on User Choice, given the Board's view that User Choice is integral to the successful implementation of New Apprenticeships;

c) consider the Annual VET Plan for New South Wales in light of the position of New South Wales on User Choice and subject to conditions outlined in Appendix A;

d) note that attention will need to be focused on shifts within the base provision in future years;

e) note that the Authority will continue to analyse relative effort and costs and provide further advice to Ministers;

f) note the Authority's concern about the quality of VET statistics and the adjustments and rebases required to achieve clean and comparable data; and

g) agree to the further development of the *National Strategy for VET 1998 - 2003*.

## 5.2 Recurrent funding for States and Territories

Subject to the decisions of the Ministerial Council on a new ANTA Agreement including the framework for growth through efficiencies, and final activity levels to be submitted in February/March, the Authority recommends that the Ministerial Council:

h) subject to paragraph (i), approve the allocation of recurrent funding for 1998 set out in Table 5-1 subject to conditions set out in Appendix A for New South Wales;

i) note that the allocation for New South Wales set out in Table 5.1 is indicative only and is subject to Ministerial Council consideration of the New South Wales Annual VET Plan; and

j) agree to the allocation of $23m in 1998 for National Projects, and note the process for the finalisation of national project allocations.

**Table 5-1: Allocation of Commonwealth Recurrent Funding for 1998($ '000)**

| | Recurrent Funds | OTJ Conditional Funds* | Total Recurrent |
|---|---|---|---|
| New South Wales | 217,008 | 7,241 | 224,250 |
| Victoria | 155,716 | 5,339 | 161,055 |
| Queensland | 105,413 | 4,008 | 109,421 |
| South Australia | 50,907 | 1,681 | 52,588 |
| Western Australia | 59,012 | 2,129 | 61,141 |
| Tasmania | 18,074 | 532 | 18,605 |
| Northern Territory | 7,006 | 231 | 7,237 |
| Australian Capital Territory | 12,691 | 385 | 13,076 |
| VET in Schools | 20,000 | | 20,000 |
| National Projects | 23,000 | | 23,000 |
| Publication of TAFE Statistics | 212 | | 212 |
| *Total* | **669,039** | **21,546** | **690,585** |

Note : Total Commonwealth recurrent funding for 1998 (including $7m for recurrent literacy funding) reflects agreement by State and Territory Ministers on 25 September 1997 to funding under a revised ANTA Agreement

*It is expected that OTJ Conditional funds will be rolled-in to recurrent funds subject to passage by the Commonwealth Parliament of changes to the *Vocational Education and Training Funding Act 1992*.

## 5.3 Infrastructure funding

Subject to the decisions of the Ministerial Council on a new ANTA Agreement including the framework for growth through efficiencies, and final activity levels to be submitted in February/March, the Authority recommends the Ministerial Council:

k) approve the allocations for Infrastructure Program funds as set out in Table 5-2, noting that the appropriate share of capital investment has been maintained between the two levels of government;

l) note that the allocation for New South Wales set out in Table 5.2 is indicative only and subject to Minister Council consideration of the New South Wales Annual VET Plan;

m) authorise the Authority, after consultations with the States/Territories, to approve Capital Development Plans (CDPs) for 1998 in keeping with the allocations in Table 5-2;

n) authorise the Authority, after consultations with the States/Territories, to make variations to the project allocations in the CDPs, when actual expenditures for 1997 for current projects are known;

o) authorise the Authority to decide on requests from States/Territories to change Capital Development Plans during 1998, provided the changes are consistent with the overall directions of the State/Territory VET Training Plans as agreed by Ministers, having regard to forward obligation approvals;

p) authorise the Authority to determine, after consultations with the States/Territories, allocations for approved projects under the Industry Based Skill Centre and Skill Centres for School Students' components;

q) request the Authority to report on the outcomes of the review of the Infrastructure Program by end of 1998.

**Table 5-2:** Allocation of Commonwealth Sourced Infrastructure Program Funding for 1998 ($m)

| | Buildings, Equipment and Child Care |
|---|---|
| New South Wales | 62.640 |
| Victoria | 40.500 |
| Queensland | 28.255 |
| South Australia | 16.440 |
| Western Australia | 16.200 |
| Tasmania | 9.600 |
| Northern Territory | 3.860 |
| Australian Capital Territory | 2.880 |
| Cash flow Adjustment from 1997 | -0.375 |
| | |
| Industry Based Skill Centres | 10.000 |
| Skill Centres for school students | 5.000 |
| Aboriginal and Torres Strait Islander Capital Projects | 5.000 |
| | |
| Total | 200.000 |

Note: Indicative capital allocations for 1998 take account of cash flow variations for 1997, 1998 and 1999 requested by a number of States/Territories.

# Appendix A: Maintenance of Effort

## Introduction

**The current maintenance of effort arrangements**

Under the original National Vocational Education and Training System (ANTA) Agreement, the Commonwealth agreed to provide substantial growth funds for the national vocational education and training system based on the undertaking given by States and Territories that "States and Territories will at least maintain their effort for VET on an ongoing basis."[1].

Whether a State or Territory is deemed to have maintained effort is a matter of judgement determined by the Ministerial Council following advice from the ANTA Board. This judgement is made after consideration of agreed measures together with supplementary information.

Under the revised ANTA Agreement, currently being finalised, the principle of growth from efficiencies will apply. The Commonwealth has agreed to a three year commitment to maintain funding levels in real terms ($890.585m in 1998) for vocational education and training and States and Territories have agreed to achieve growth in their vocational education and training systems through efficiencies.

**The new arrangements being finalised**

Against this background, the indicative 1998 activity levels that have been supplied by States and Territories for the purpose of this report to Ministers need to at least provide for maintenance of effort in that year to be accepted at this stage. Final activity levels for 1998 reflecting plans for growth from efficiencies will be presented to Ministers in early 1998.

The growth from efficiency plans of the States and Territories will need to be framed against changes in the scope of VET funding.

Firstly, the plans will need to take account of the $18.7m net reduction in Commonwealth base funds and the expectations by the Commonwealth that this reduction will be offset by equivalent efficiency gains by States/Territories.

Secondly, it is anticipated that the conditional Commonwealth funds (of $21.546m) that have been made available to help finance traineeships, will be rolled into the base recurrent funds from 1998, subject to the passage by the Commonwealth Parliament of changes to the Vocational Education and Training Act 1992. These funds purchased activity that was not included in previous State/Territory VET plan activity tables. The associated activity will need to be included (on top of the revised base funds and associated activity) as the starting point for the growth through efficiency arrangements.

---

[1] Clause 31, Schedule, Australian National Training Authority Act 1992

## Summary of Maintenance of Effort Arrangements

Maintenance of effort arrangements for 1994, the first year in which the ANTA Act of 1992 applied, were expressed in financial terms using 1992 as the base year. All States and Territories maintained financial effort in 1994 as reported previously.

From 1995, the arrangements changed by agreement of Ministers to include three non financial measures in addition to the previously used financial measure with 1994 as the base year for all measures. In 1995 most States and Territories undertook a substantial re-basing of 1994 activity put forward in the 1994 State Training Profiles due to improvements in their data systems enabling more accurate data reporting. Re-basing continues in some States and is of concern to the Authority.

**Maintenance of effort positions from 1996 for each State and Territory are included below**

The maintenance of effort positions for 1995 were favourable for most States and Territories. In those instances where a shortfall in activity did occur in 1995 the State/Territory has been required to make up the 1995 shortfall in 1996.

The 1996 and subsequent years maintenance of effort positions of States and Territories follows, after technical notes which focus on providing an overview of the various aspects of the maintenance of effort arrangements. For further details, refer also to previous publications in the series *Directions and Resource Allocations*.

## Technical Notes

**The financial measure**

*Financial measures*

Changes have been made to the measurement of financial maintenance of effort from 1996 as agreed by Ministers in 1995 in connection with the review of the scope and boundary applying to the measure. In 1996 both the new and the original approach have been examined to ensure that no State or Territory was disadvantaged by the change. The original approach involves looking at recurrent expenditure plus a five year capital average. The new approach considers recurrent expenditures and capital expenditures separately.

In 1997 and 1998 only State/Territory recurrent expenditures, inclusive of maintenance and leasing expenditures and exclusive of state payroll taxes, are within the scope and boundary of the maintenance of effort calculations outlined below. Removal of State payroll taxes has covered tax payments from all funding sources. Grants and subsidies in relation to apprentices and trainees are also included at the discretion of the State or Territory. Where included, this has been footnoted. Expenditure targets have been indexed from one year to the next, as has been the approach previously, using updated non-farm Gross Domestic Product (GDP) deflators and actual non-productivity related wage increases.

In 1997 and 1998, capital expenditures have been examined separately from recurrent expenditures and a judgement has been made as to whether an appropriate share of capital investment has been maintained between the two levels of government (see Chapter 3.10). A five year average figure for capital has been taken into consideration as previously. Nominal capital expenditure has been converted to real terms by means of updated State Territory Gross Fixed Capital Indexes-General Government.

*Non-financial measures*

**Non-financial or activity measures**

The non-financial or activity measures include Annual Hours Curriculum (AHC), enrolments and the rate of module load completions. Independent audits of these measures within the scope and boundary of the ANTA agreement are conducted by the National Centre for Vocational Education Research (NCVER) on behalf of ANTA.

**Traineeship activity funded from ANTA Agreement funds is included**

The audits include activity related to traineeships which were transferred into the ANTA Agreement during 1994. However, not all traineeship activity was funded from ANTA Agreement funds in 1996. States and Territories were able to access additional Commonwealth funding to help finance trainee commencements beyond their base target numbers. There also was some pilot user choice activity relating to traineeships undertaken in 1996 with special national projects monies.

Adjustments have been made to audited levels of activity in 1996 according to the claims States and Territories made for the additional and conditional Commonwealth funds for trainees, taking user choice pilot activity into account as appropriate. This also was done in relation to the 1995 audited activity because the same situation applied then and it will be done in relation to 1997 for the last time. From 1998 all Commonwealth funding to help finance trainee commencements will be rolled into and included within the base funds.

**Recognition of prior learning has been excluded pending further analysis**

Also, adjustments have been made to audited activity levels to exclude any reported activity associated with the recognition of prior learning (RPL). As requested by Ministers in November 1995, work has progressed on the development of a method for counting RPL and for adjusting for RPL in activity maintenance of effort, but progress has been very slow and this work is not yet completed. Specific exclusion of RPL thus is an interim measure for consistency reasons. RPL levels have been viewed as supplementary information and a per cent of the hours associated with RPL counted in those few instances where a case for this approach has been made.

**The AHC measure has been fully analysed**

Of the three non-financial measures of maintenance of effort, the AHC measure has been fully analysed and included in this report as per AVETMISS definition. The figures take into account rebasing that has occurred subsequent to the 1994 audits as data systems have improved. However, effective exclusion of enrolments (and associated annual hours curriculum) that cannot be verified has not yet been achieved by all States and Territories and remain in the figures for maintenance of effort purposes. It is expected that the quantum of unverified enrolments will be less in relation to the 1997 data collection.

Any residual enrolments and associated hours that cannot be verified will be factored into growth through efficiency considerations.

States and Territories have agreed to refer to and adjust for enrolments and associated hours that cannot be verified in unit cost determinations for the *Benchmarking VET* reports, although not in the context of maintenance of effort. This anomaly needs to be corrected if States and Territories are to move eventually to more reliance on outputs based measures. At present there is no reliable technical basis for measurement of outputs for the purposes of maintenance of effort or efficiency.

**Enrolments are total students enrolments and are subject to fluctuation**

The enrolments data presented are total student enrolments. It is course and module only enrolments that are planned for in the Profiles process and used to provide estimates for comparison with established targets. The enrolment targets use audited 1995 enrolment figures as the base. It has not been possible to establish a 1994 base for enrolments because of reporting differences between the States in that year as indicated in *Directions and Resource Allocations for 1996*. Because total enrolment levels are influenced by several factors, they are less important than hours and expenditure in the overall judgement of maintenance of effort.

The audit reports also provide verified numbers of total clients enrolled which can be presented and compared with actual data for future years, should this be considered of interest for maintenance of effort purposes.

**Module load completion information has some inconsistencies**

Module load completion information is also subject to audit. The independent auditors appointed to verify ANTA Agreement government funded activity have identified some differences in the use of module outcome codes between States and Territories. There is therefore a need for reporting guidelines and systemic improvements in relation to the recording of module outcomes. The 1996 audit reports provide useful data that can be used as a basis for achieving these improvements.

Notwithstanding this, available module load completion data yields rates of different magnitudes depending on the equation that is used. The results for each State for 1996 compared to 1995 are reported in the *Annual National Report* 1996 (*Volume Three*). This report provided module load completion rates according to two different formulae, as shown below. There are no comparable 1994 data.

| | NSW | VIC | QLD | SA | WA | TAS | NT | ACT | AUS |
|---|---|---|---|---|---|---|---|---|---|
| Pass rates 1995 | 80.1 | 84.3 | 81.1 | 93.9 | 85.0 | 80.7 | 83.4 | 75.1 | 82.6 |
| Pass rates 1996 | 78.9 | 80.0 | 88.6 | 91.7 | 90.3 | 81.8 | 83.1 | 75.0 | 82.2 |
| Completion 1995 | 79.5 | 80.5 | 86.1 | 90.1 | 83.2 | 77.9 | 72.6 | 73.7 | 81.5 |
| Completion 1996 | 81.0 | 87.9 | 84.3 | 97.1 | 91.6 | 86.6 | 84.3 | 76.8 | 85.1 |

Source: *Annual National Report* 1996 (*Volume Three*).

Notes: The pass rate is for assessed students whose attendance was confirmed and excludes enrolments where the student 'withdrew without failure'.

The completion rate compares students who completed a module (regardless of assessment) with all commencing students who are not still studying the unit.

## A1: New South Wales

**New South Wales maintained effort in 1996**

### 1996 Maintenance of Effort

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 736.80 | 685.08 |
| 1996 Target | 783.77 | 729.86 |
| 1996 Actual | 788.65 | 739.07 |

| | AHC ('000) | Enrolments('000) |
|---|---|---|
| 1995 Base | 83,940 | 451,172 |
| 1996 Target | 86,750 | 466,512 |
| 1996 Actual | 86,777 | 503,885 |

Notes: Base for activity is 1995 because 1994 figures are no longer reliable because of progressive rebasing. 1995 base enrolments may be slightly overstated.

In 1996, New South Wales exceeded its financial and activity targets.

### 1997 Maintenance of Effort

**New South Wales is expected to maintain effort in 1997.**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994/1995 Base | 636.38 | 83,940 | 451,172 |
| 1997 Target | 702.45 | 89,151 | 479,462 |
| 1997 Revised | 708.28 | 89,209 | 430,099 |

Notes: Base for activity is 1995 because 1994 figures are no longer reliable because of progressive rebasing. 1995 base enrolments may be slightly overstated.

In 1997 New South Wales is expected to exceed its financial target and also its activity hours target based on consideration of the issues associated with New South Wales activity outlined below under additional details.

### 1998 Maintenance of Effort

**New South Wales is expected to maintain effort in 1998.**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994/1995 Base | 636.38 | 83,940 | 541,172 |
| 1998 Target | 723.80 | 89,151 | 479,462 |
| 1998 Estimate | 729.90 | 89,209 | 430,099 |

Notes: Base for activity is 1995 because 1994 figures are no longer reliable because of progressive rebasing. 1995 base enrolments may be slightly overstated.

In 1998 New South Wales is expected to maintain effort in both financial and activity hours terms.

**Additional Details**

Grants and subsidies to apprentices and trainees are included in the New South Wales financial figures. New South Wales has reservations about how State payroll tax has been calculated for exclusion from maintenance of effort calculations from 1997.

The 1996 initial audit report of New South Wales activity reveals that evidence provided by New South Wales indicates that a rebase of earlier years activity is required to facilitate comparison with 1996 activity. The three areas identified as requiring a shift downwards include Higher School Certificate (HSC) activity, tutorial support activity and Residual "No Starts" due to changes in procedures for delivering and counting in these areas in 1996 compared with earlier years.

Rebase information for 1995 only is provided in the 1996 audit report. The Authority is no longer in a position therefore to set the 1994 activity level as a base for New South Wales. Thus 1995 becomes the base year for non-financial maintenance of effort.

The rebase information for 1995 is reflected in the tables above. [2]

The actual figure for 1996 recorded in the above tables includes a claim made by New South Wales for delivery hours lost in 1996 due to growth in RPL. A percentage of the growth in RPL hours, 1996 over 1995 levels, has been included based on an approach to counting RPL which is consistent with past practice.

The above figures do not include an allowance for an additional claim for 443,000 hours made by NSW for delivery hours lost in 1996 due to the total growth in credit transfer activity, 1996 over 1995 levels. This exclusion is consistent with past approaches.

In 1996, NSW internally funded voluntary redundancies and therefore a proportion of NSW VET funds were not available for activity in that year.

---

2. New South Wales has rebased its activity annually since 1994 as it has improved its data systems and cleaned its data. 1995 activity levels over time have been recorded as follows: 1994 levels are no longer available on a comparable basis.

| 1995 activity reporting | AHC (000s) |
|---|---|
| original 1995 estimate | 99,438 |
| 1995 revised | 96,028 |
| rebased in 1995 audit | 86,797 |
| rebased in 1996 audit | 83,940 |

**Recommendation**

**New South Wales has met the minimum conditions for 1998.**

The Authority recommends that

a) Ministers note and accept the use of 1995 as the base year for non-financial maintenance of effort, given the progressive rebasing that has occurred which has meant that 1994 base figures are no longer available on a comparable basis

b) current maintenance of effort requirements as they apply to New South Wales will be met in 1998.

## A2: Victoria

**Victoria maintained effort in 1996**

### 1996 Maintenance of Effort

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 401.10 | 382.57 |
| 1996 Target | 414.50 | 394.89 |
| 1996 Actual | 422.24 | 398.07 |

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 60,063 | 330,532 |
| 1996 Target | 64,573 | 340,146 |
| 1996 Actual | 64,800 | 377,494 |

Notes:. Base for enrolments is 1995 as for all States.

In 1996 Victoria increased its financial expenditures on VET to beyond maintenance of effort levels and maintained effort in activity terms as well.

**Victoria expects to maintain effort in 1997**

### 1997 Maintenance of Effort

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 358.91 | 60,063 | 330,532 |
| 1997 Target | 372.96 | 66,581 | 353,619 |
| 1997 Revised | 377.96 | 66,581 | 383,831 |

Note: 1994 base equals 1995 for financial figures as accepted by Ministers last year. Victoria is unable to provide a payroll tax figure for 1994.

In 1997, Victoria expects to exceed its financial maintenance of effort and meet its activity target.

**Victoria is expected to maintain effort in 1998.**

### 1998 Maintenance of Effort

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 358.91 | 60,063 | 330,532 |
| 1998 Target | 376.94 | 66,581 | 353,619 |
| 1998 Estimate | 376.31 | 66,581 | 384,532 |

**Additional Details**

Victoria has reservations about the way State payroll tax has been calculated for exclusion from maintenance of effort calculations from 1997.

Victoria has provided preliminary current expenditure figures for 1998. Victoria's final budget allocation for VET for 1998 will not be available until early 1998 at the conclusion of Budget Economic Review Committee meetings.

**Recommendation**

**Victoria has satisfied maintenance of effort conditions for 1998.**

The Authority recommends that the current maintenance of effort requirements as they apply to Victoria will be satisfied in 1998 on the basis of the preliminary expenditure figures for 1998.

## A3: Queensland

### 1996 Maintenance of Effort

**Queensland maintained effort in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 270.75 | 244.96 |
| 1996 Target | 281.08 | 254.42 |
| 1996 Actual | 302.02 | 277.12 |

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 33,635 | 197,529 |
| 1996 Target | 35,205 | 199,099 |
| 1996 Actual | 36,273 | 252,813 |

Notes: Base for hours activity measures is 1995 as accepted by Ministers in 1996 given the explained difficulties of using 1994. Base for enrolments is 1995 as for all States. 1996 actual enrolments are slightly overstated due to some additional activity undertaken in relation to 1996 pilot user choice project. 1996 enrolments in 1998 profile are stated as 216,908.

In 1996 Queensland exceeded its financial and activity targets by a large margin.

### 1997 Maintenance of Effort

**Queensland is expected to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 232.91 | 33,635 | 197,529 |
| 1997 Target | 252.69 | 36,368 | 205,209 |
| 1997 Revised | 268.87 | 39,085 | 236,139 |

Notes: Base for hours activity measures is 1995 as accepted by Ministers in 1996 given the explained difficulties of using 1994. Base for enrolments is 1995 as for all States.

In 1997 Queensland is expecting to exceed its financial and activity targets by a large margin.

### 1998 Maintenance of Effort

**Queensland is expected to maintain effort in 1998**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 232.91 | 33,635 | 197,529 |
| 1998 Target | 264.87 | 36,368 | 205,209 |
| 1998 Estimate | 282.65 | 41,562 | 257,326 |

Notes: Base for hours activity measures is 1995 as accepted by Ministers in 1996 given the explained difficulties of using 1994. Base for enrolments is 1995 as for all States. Queensland plans to provide funds for on the job trainees in 1998 and has included the leveraged full nominal hours for these trainees in the activity figures.

Queensland is planning to exceed its financial and activity targets by significant amounts in 1998 and to achieve growth over revised 1997 levels of activity.

**Additional Details**

Queensland's actual 1996 financial figure is subject to audit verification. Queensland has advised the audit statements will be available at the end of November. The Authority expects the 1996 audit statement will be satisfactory and show Queensland to have at least met its 1996 financial target.

**Recommendation**

**Queensland has satisfied maintenance of effort conditions for 1998.**

The Authority recommends that the current maintenance of effort requirements as they apply to Queensland will be satisfied in 1998.

## A4: South Australia

### 1996 Maintenance of Effort

**Overall, South Australia maintained effort in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 152.37 | 143.33 |
| 1996 Target | 156.16 | 149.17 |
| 1996 Actual | 154.08 | 144.66 |

Note: Maintenance expenditures included as recurrent

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 13,805 | 135,313 |
| 1996 Target | 14,915 | 139,003 |
| 1996 Actual | 15,051 | 136,195 |

Notes: Base year for enrolments is 1995 as for all States.

In 1996 South Australia did not maintain financial effort but did maintain effort in hours activity terms.

### 1997 Maintenance of Effort

**South Australia is expected to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 135.83 | 13,805 | 135,313 |
| 1997 Target | 149.92 | 15,414 | 143,719 |
| 1997 Revised | 140.42 | 15,415 | 147,204 |

In 1997 , whilst South Australia is falling short of its expenditure target by a considerable margin, the Authority expects that the activity hours target will be met. South Australia has provided progress reports on 1997 activity levels as required by the resolution of the Ministerial Council in November 1996.

### 1998 Maintenance of Effort

**South Australia is expected to maintain effort in 1998.**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 135.83 | 13,805 | 135,313 |
| 1998 Target | 156.86 | 15,415 | 143,719 |
| 1998 Estimate | 142.11 | 15,602 | 149,244 |

South Australia is planning to exceed its activity target in 1998 whilst falling short of its expenditure target by a considerable margin. The Authority expects that the activity hours target will be met based on South Australia's performance in previous years.

**Additional Details**

South Australia has provided preliminary estimates of State expenditure on VET for 1998. New departmental structures being put in place from October 1997 may impact on the VET budget information. South Australia will provided refined financial information as necessary.

**Recommendation**

**South Australia has satisfied maintenance of effort requirements for 1998.**

The Authority recommends that the current maintenance of effort requirements as they apply to South Australia will be satisfied in 1998 based on the preliminary expenditure figures for 1998.

## A5: Western Australia

### 1996 Maintenance of Effort

**Western Australia maintained effort in 1996**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 179.24 | 170.10 |
| 1996 Target | 188.32 | 178.69 |
| 1996 Actual | 188.76 | 180.79 |

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 17,694 | 108,949 |
| 1996 Target | 19,151 | 112,548 |
| 1996 Actual | 21,458 | 102,420 |

Notes: Base for enrolments is 1995 as for all States.

### 1997 Maintenance of Effort

**Western Australia is expected to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 169.02 | 17,649 | 108,949 |
| 1997 Target | 180.70 | 19,768 | 116,518 |
| 1997 Revised | 183.90 | 22,189 | 109,961 |

Notes: Activity Estimate for 1997 is less Commonwealth Growth.

Western Australia is planning to exceed both its financial and activity hours target for 1997.

### 1998 Maintenance of Effort

**Western Australia is expected to maintain effort in 1998**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 169.02 | 17,649 | 108,949 |
| 1998 Target | 181.60 | 19,768 | 116,518 |
| 1998 Estimate | 181.88 | 21,966 | 110,616 |

### Additional Details

The shortfall in actual enrolments from planned enrolments for 1996 is due to a higher than anticipated proportion of full-time enrolments due to a successful marketing campaign to school leavers. This is reflected in an increase in annual hours curriculum.

**Western Australia has satisfied minimum conditions for 1998.**

### Recommendation

The Authority recommends that the current maintenance of effort requirements as they apply to Western Australia will be satisfied in 1998.

## A6: Tasmania

### 1996 Maintenance of Effort

**Tasmania maintained effort in 1996 and made up the 1995 activity hours shortfall**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 44.41 | 41.42 |
| 1996 Target | 45.68 | 42.56 |
| 1996 Actual | 46.50 | 43.15 |

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 3,496 | 21,598 |
| 1996 Target | 3,896 | 22,698 |
| 1996 Actual | 4,122 | 23,954 |

Notes: 1996 activity hours target includes one off additional activity required to make up 1995 shortfall

In 1995 Tasmania reached its expenditure target but fell marginally short of its activity target. The 1996 activity target for Tasmania thus included some one off additional activity to make up the 1995 shortfall. In 1996 Tasmania has exceeded the 1996 hours activity target as well as the financial target.

### 1997 Maintenance of Effort

**Tasmania is expected to maintain effort in 1997**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 41.42 | 3,496 | 21,598 |
| 1997 Target | 42.80 | 4,055 | 23,898 |
| 1997 Revised | 41.42 | 4,090 | 24,150 |

In 1997, whilst Tasmania is falling short of its expenditure target by a small margin, the Authority expects that the activity hours target will be met. Tasmania has provided progress reports on 1997 activity levels as required by the resolution of the Ministerial Council in November 1996.

### 1998 Maintenance of Effort

**Overall, Tasmania is expected to maintain effort in 1998**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 41.42 | 3,496 | 21,598 |
| 1998 Target | 43.01 | 4,055 | 23,898 |
| 1998 Estimate | 41.96 | 4,190 | 24,550 |

Tasmania expects to fall short of its expenditure target but exceed its activity target in 1998 and achieve growth over revised 1997 levels of activity.

**Tasmania has met the minimum conditions for 1998**

**Additional Details**

Tasmania historically has not included payroll tax in its maintenance of effort figures.

**Recommendation**

The Authority recommends that the current maintenance of effort requirements as they apply to Tasmania will be satisfied in 1998.

## A7: Northern Territory

### 1996 Maintenance of Effort

**The Northern Territory maintained financial effort in 1996 but fell short marginally of its activity hours target**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 44.63 | 42.00 |
| 1996 Target | 45.21 | 42.30 |
| 1996 Actual | 46.53 | 41.81 |

Notes: Maintenance expenditure included as recurrent. 1994 base equals 1995 for reasons outlined in additional notes below.

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 2,320 | 11,078 |
| 1996 Target | 2,467 | 11,348 |
| 1996 Actual | 2,410 | 10,780 |

Notes: The Northern Territory expects to maintain effort in expenditure terms and exceed its activity targets in 1996.

### 1997 Maintenance of Effort

**The Northern Territory is expected to maintain effort in 1997 and make up the 1996 activity hours shortfall**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 42.00 | 2,320 | 11,078 |
| 1997 Target | 42.54 | 2,584 | 11,348 |
| 1997 Revised | 42.59 | 2,793 | 9,326 |

Notes: Activity target for 1997 includes the making up of the 1996 shortfall. 1994 base for enrolments equals 1995 d for all other states. 1997 Revised figures include traineeships.

### 1998 Maintenance of Effort

**The Northern Territory is expected to maintain effort in 1998.**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 42.00 | 2,320 | 11,078 |
| 1998 Target | 42.75 | 2,509 | 11,348 |
| 1998 Estimate | 43.00 | 2,873 | 9,843 |

Notes: 1998 Estimate includes traineeships. 1998 activity target is adjusted to exclude the one-off additional activity required in 1997 to make up 1996 short fall.

### Additional Details

The Northern Territory has rebased its financial figures. The 1995 and 1996 actual financial figures are subject to audit verification.

The exercise of preparing financial data for the 1996 VET National Financial Collection showed up some issues in the Northern Territory that required explanation. Differences were noted between the financial figures prepared for 1996 and those prepared previously. In consequence, a review was undertaken by the Northern Territory and ANTA, with the assistance of the NCVER, of the financial maintenance of effort data for the Northern Territory.

The review identified reasons for the observed differences in the data and settled on an approach and methodology for the development of financial data for maintenance of effort purposes in the future. Using the agreed methodology, the Northern Territory has agreed to provide revised MOE financial figures for 1995 and each subsequent year. It did not prove possible to revise 1994 data using the new methodology. Hence 1995 has been used as the base year.

The 1996 activity audit revealed that the Northern Territory fell short of its hours activity target when account was taken of the traineeships that were funded through additional Commonwealth funds to the ANTA Agreement. The Northern Territory has indicated that the adjustment downwards made to their 1996 activity figure may not reflect the true costs associated with the traineeships and thus the stated shortfall may be less than indicated. Improved data quality is another possible explanation for the apparent shortfall in activity in 1996. The Northern Territory expects its final 1997 activity hours figure to be sufficient to meet its 1997 maintenance of effort target and also to cover the recorded shortfall in 1996. The Northern Territory has not ruled out a rebase of 1997 activity however as part of the 1997 audit to be carried out in 1998 given the extent of its data quality improvements.

**Recommendation**

**The Northern Territory has satisfied maintenance of effort conditions for 1998.**

The Authority recommends that

a) Ministers note and accept the use of 1995 as the base year for financial maintenance of effort, given the rebase that has occurred to yield comparable figures year to year but which did not prove possible to do for the 1994 data.

b) the current maintenance of effort requirements as they apply to the Northern Territory will be satisfied in 1998.

## A8: Australian Capital Territory

### 1996 Maintenance of Effort

**The Australian Capital Territory met its financial target in 1996 but did not meet its hours activity target that included making up a sizeable shortfall in 1995**

| | Expenditure ($m) Recurrent and Capital | Expenditure ($m) Recurrent only |
|---|---|---|
| 1994 Base | 46.59 | 43.26 |
| 1996 Target | 48.12 | 44.65 |
| 1996 Actual | 48.92 | 45.99 |

| | AHC ('000) | Enrolments |
|---|---|---|
| 1994 Base | 3,658 | 16,196 |
| 1996 Target | 4,053 | 17,025 |
| 1996 Actual | 4,009 | 16,735 |

Notes: Activity hours target for 1996 includes making up a sizeable shortfall in 1995

### 1997 Maintenance of Effort

**The Australian Capital Territory is expecting to meet its financial target in 1997 and its activity target that includes making up the rest of the shortfall from previous years.**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 43.26 | 3,658 | 16 196 |
| 1997 Target | 45.13 | 4,140 | 17,428 |
| 1997 Estimate | 46.19 | 4,213 | 15,859 |

Notes: The Australian Capital Territory's 1997 Activity Estimate is overstated because it includes trainees funded outside the ANTA Agreement

In 1997, the Australian Capital Territory is exceeding its expenditure target by a small margin. The Authority expects the Australian Capital Territory will also meet its activity hours target. The Australian Capital Territory has provided progress reports on 1997 activity levels as required by the resolution of the Ministerial Council in November 1996.

### 1998 Maintenance of Effort

**The Australian Capital Territory is expected to meet its maintenance of effort targets in 1998.**

| | Expenditure ($m) Recurrent Only (Payroll Tax Excluded) | AHC ('000) | Enrolments |
|---|---|---|---|
| 1994 Base | 43.26 | 3,658 | 16 196 |
| 1998 Target | 45.36 | 4,140 | 17,428 |
| 1998 Estimate | 47.45 | 4,201 | 15,055 |

### Additional Details

The Australian Capital Territory 1996 expenditure figures are subject to audit verification. Payroll tax has always been excluded from Australian Capital Territory financial maintenance of effort information.

**The Australian Capital Territory has met maintenance of effort conditions for 1998**

### Recommendation

The Authority recommends that the current maintenance of effort requirements as they apply to the Australian Capital Territory will be satisfied in 1998.

# Appendix B: Activity by State/Territory

**Expected Changes to Training Activity Between 1997 Revised Estimates and 1998 Projections**

| | 1997 Revised | 1998 Projection | Total Shift |
|---|---|---|---|
| | | *AHC ('000)* | |
| New South Wales | 89,209 | 89,209 | 0 |
| Victoria | 66,581 | 66,581 | 0 |
| Queensland | 39,085 | 41,562 | 2,477 |
| South Australia | 15,415 | 15,602 | 187 |
| Western Australia | 22,189 | 21,966 | -223 |
| Tasmania | 4,090 | 4,190 | 100 |
| Northern Territory | 2,793 | 2,873 | 80 |
| Australian Capital Territory | 4,214 | 4,204 | -10 |
| **Total** | **243,576** | **246187** | **2,611** |
| | | *Enrolments* | |
| New South Wales | 430,099 | 430,099 | 0 |
| Victoria | 383,631 | 384,532 | 901 |
| Queensland | 236,139 | 257,326 | 21,187 |
| South Australia | 147,204 | 149,244 | 2,040 |
| Western Australia | 109,961 | 110,616 | 655 |
| Tasmania | 24,150 | 24,550 | 400 |
| Northern Territory | 9,326 | 9,843 | 517 |
| Australian Capital Territory | 15,859 | 15,055 | -804 |
| **Total** | **1356369** | **1381265** | **24896** |

Source: 1998 State/Territory VET Plans

# Appendix C: 19 x 4 National Matrix

## Total Government Funded Activity - 1998 Projected

| AHC ('000s) | Module Activity Only | Course Activity | | | | Total Activity |
|---|---|---|---|---|---|---|
| | | Gen/ Unspec | Oper/ Clerical | Trades | Prof/ Para Prof | |
| **Category A** | | | | | | |
| Arts, Entertainment, Sports & Rec | 80 | 0 | 729 | 1,446 | 10,443 | 12,699 |
| Automotive | 16 | 0 | 1,870 | 6,664 | 6 | 8,556 |
| Building and Construction | 46 | 0 | 2,028 | 8,974 | 5,203 | 16,251 |
| Community Services, Health & Ed | 179 | 0 | 10,131 | 479 | 12,771 | 23,561 |
| Finance, Banking & Insurance | 18 | 0 | 1,653 | 0 | 1,343 | 3,014 |
| Food Processing | 91 | 0 | 2,174 | 1,257 | 36 | 3,557 |
| TCF and Furnishings | 43 | 0 | 721 | 3,365 | 841 | 4,970 |
| Communications | 53 | 0 | 307 | 1,232 | 518 | 2,110 |
| Engineering and Mining | 110 | 0 | 2,888 | 7,801 | 4,806 | 15,605 |
| Primary Industry | 119 | 0 | 5,946 | 2,383 | 4,590 | 13,037 |
| Process Manufacturing | 26 | 0 | 570 | 11 | 7 | 613 |
| Sales and Personal Service | 50 | 0 | 4,659 | 2,446 | 764 | 7,919 |
| Tourism and Hospitality | 127 | 0 | 9,422 | 4,564 | 5,238 | 19,351 |
| Transport and Storage | 36 | 0 | 1,766 | 27 | 496 | 2,325 |
| Utilities | 41 | 0 | 410 | 5,591 | 5,294 | 11,336 |
| **Category B** | | | | | | |
| Business and Clerical | 361 | 3,653 | 22,493 | 14 | 15,146 | 41,667 |
| Computing | 280 | 1,680 | 2,256 | 55 | 9,011 | 13,283 |
| Science, Technical and Other | 125 | 4,164 | 521 | 671 | 4,346 | 9,827 |
| **Category C** | | | | | | |
| General Education and Training | 867 | 34,551 | 807 | 0 | 0 | 36,225 |
| Unallocated | 0 | 0 | 101 | 0 | 14 | 280 |
| **Total** | 2,668 | 44,049 | 71,451 | 46,981 | 80,873 | 246,187 |

| Enrolments | Module Activity Only | Course Activity | | | | Total Activity |
|---|---|---|---|---|---|---|
| | | Gen/ Unspec | Oper/ Clerical | Trades | Prof/ Para Prof | |
| **Category A** | | | | | | |
| Arts, Entertainment, Sports & Rec | 1,700 | 0 | 5,013 | 6,289 | 38,415 | 51,417 |
| Automotive | 508 | 143 | 8,222 | 26,893 | 23 | 35,789 |
| Building and Construction | 671 | 0 | 7,659 | 35,824 | 22,679 | 66,833 |
| Community Services, Health & Ed | 3,159 | 0 | 46,263 | 2,074 | 59,374 | 110,870 |
| Finance, Banking & Insurance | 447 | 0 | 9,204 | 2 | 6,281 | 15,934 |
| Food Processing | 21,127 | 0 | 13,332 | 5,605 | 133 | 40,197 |
| TCF and Furnishings | 2,212 | 0 | 4,576 | 14,086 | 2,878 | 23,752 |
| Communications | 1,571 | 0 | 2,228 | 4,545 | 1,731 | 10,075 |
| Engineering and Mining | 1,855 | 0 | 14,790 | 32,805 | 22,691 | 72,141 |
| Primary Industry | 3,328 | 0 | 32,054 | 11,439 | 32,767 | 79,588 |
| Process Manufacturing | 355 | 0 | 4,079 | 214 | 26 | 4,674 |
| Sales and Personal Service | 1,285 | 0 | 20,429 | 10,125 | 4,730 | 36,569 |
| Tourism and Hospitality | 2,316 | 0 | 39,588 | 16,262 | 17,599 | 75,765 |
| Transport and Storage | 750 | 0 | 9,268 | 90 | 4,094 | 14,202 |
| Utilities | 604 | 0 | 2,352 | 21,566 | 24,503 | 49,025 |
| **Category B** | | | | | | |
| Business and Clerical | 8,817 | 25,140 | 128,154 | 47 | 73,726 | 235,884 |
| Computing | 11,815 | 17,760 | 29,829 | 434 | 42,873 | 102,711 |
| Science, Technical and Other | 3,293 | 26,021 | 8,878 | 2,926 | 19,288 | 60,406 |
| **Category C** | | | | | | |
| General Education and Training | 12,667 | 262,515 | 19,201 | 0 | 0 | 294,383 |
| Unallocated | 0 | 0 | | | | 1,050 |
| **Total** | 78,480 | 331,579 | 405,119 | 191,226 | 373,811 | 1,381,265 |


239